Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging

Findings and Recommendations

Report Submitted to the
Rhode Island State Senate

June, 2013
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* Written Testimony and Presentations to the Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging, are available at [http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html](http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) [June, 2013].
Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging

Commission Members

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D-Dist. 30, Warwick
Chairman

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Mr. Victor A. Bell
President, Environmental Packaging International

Mr. Thomas Papa
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Report prepared by the
Rhode Island Senate Policy Office
I am pleased to present these findings and recommendations that identify policies which promote the creation of less trash and the preservation of landfill capacity for Rhode Island by expanding the diversion and recovery of paper and packaging materials. This report represents the findings of a distinguished and dedicated commission whose membership consisted of elected officials, the Rhode Island Resource Recovery Corporation, the Department of Environmental Management, environmental advocates and the business community.

Over the course of five hearings, the commission heard informed testimony from 16 witnesses, reviewed documents submitted by knowledgeable individuals, trade associations and environmental groups, examined the current in-state solid waste disposal system which includes the collection of recyclables, and considered the most reasonable and effective means to increase both diversion and recycling rates in this state.

Rhode Island’s only central landfill is of critical importance because it provides almost 100% of the solid waste disposal needs of our cities and towns. In light of this, we are all mindful that the landfill is steadily reaching the end of its available lifetime.

I offer these findings and recommendations with confidence that we can extend the long-term capacity of the central landfill for our cities and towns. If implemented, the committee’s recommendations provide incentives that encourage businesses, local governments and citizens to work together in improving the effectiveness of Rhode Island’s solid waste system through maximizing recycling efforts.

I am grateful to every member of the commission for their willingness to take part in these discussions, and further express my gratitude to the many witnesses who took time to appear before the commission to contribute to the understanding of the challenges of solid waste issues in this state.

Sincerely,

Senator Walaska
District 30 - Warwick
Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging

Executive Summary

On June 13, 2012, Senate Bill 3073 was passed by the Rhode Island Senate creating the Legislative Commission to Study Producer Responsibility Models for Paper and Packaging. The Commission was authorized to study:

- The opportunity to preserve long-term landfill capacity for Rhode Island municipalities by continuing to expand the diversion of paper and packaging through a producer responsibility program;
- Criteria to be used to evaluate paper and packaging materials proposed for product stewardship solutions;
- Methods to identify and monitor progress toward stewardship performance goals for collection and recycling of materials;
- Options to facilitate the creation of industry-managed stewardship management organizations;
- Methods to fund increased diversion of paper and packaging; and
- Structures for agency oversight of a collection and recycling program.

The Commission, chaired by Senator William A. Walaska (District-30, Warwick), met five times over the past five months: November 15, 2012; December 6, 2012; January 9, 2013; January 30, 2013; and April 2, 2013, and was charged with presenting its findings and recommendations to the Senate on or before May 3, 2013. This document represents the final report of the Commission.

The Commission process was cooperative and collaborative, with input and support from all members, witnesses and interested parties.

As described in this document, the Commission’s findings are summarized as follows:

1. The Commission received testimony in support of both mandated extended producer responsibility programs for paper and packaging and voluntary producer efforts to increase the recycling of paper and packaging.

2. Legislation has been introduced in the Rhode Island General Assembly this 2013 session that would establish a comprehensive statewide extended producer responsibility program for paper and packaging.

3. Rhode Island currently imposes a selective extended producer responsibility program for paper and packaging through imposition of beverage and litter taxes.

4. The Central Landfill, which provides almost 100% of the solid waste disposal needs of our cities and towns, is finite and of critical importance to Rhode Island.
As described in this document, the Commission’s recommendations are as follows:

1. Support continued discussions on EPR for paper and packaging through the legislative process and support sustainability measures.

2. Rhode Island should conduct a waste composition study to determine the types of trash that are being disposed of at the landfill.

3. The revenue generated from the litter and beverage taxes should be used to support recycling and litter abatement programs.

4. Rhode Island needs to increase both diversion of materials from the central landfill and recovery of recyclable materials.
   a. Adjust the municipal cap to reflect increased recycling capabilities and implement additional pay-as-you-throw programs.
   b. Authorize Rhode Island Resource Recovery Corporation to conduct a pilot program that promotes increased recycling rates for multi-unit residential properties.
   c. Increase recycling in public spaces by requiring sponsors of public events to collect recyclables.
   d. Provide businesses opportunities to partner with municipalities to increase recycling rates.
   e. Require private haulers to provide parallel services.
   f. Encourage Rhode Island Resource Recovery Corporation to partner with AMERIPEN with a goal of increasing recovery of recyclable materials.
Introduction

On June 13, 2012 the Senate passed Bill 3073 and created the “Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging”.

The nine member Commission was authorized to study opportunities to preserve long-term landfill capacity by expanding the diversion of paper and packaging through producer responsibility programs, and to evaluate the producer responsibility programs in the state.

The Commission consisted of Senators from the Rhode Island General Assembly, representatives from the Rhode Island Resource Recovery Corporation, Rhode Island Department of Environmental Management, Clean Water Action Rhode Island, Environmental Packaging International, and Capitol Consulting. Members of the Commission and all others who provided presentations, testimony, and opinions played a key role in preparing this document.


The Commission posted all relevant information on the State of Rhode Island General Assembly website, (http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) so anyone can view our work.

The Commission was charged with presenting its findings and recommendations to the Senate by June 30, 2013. This document represents the final report of the Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging.
**Timeline**

**November 15, 2012**

Sheila Dormody, Director of Sustainability for the City of Providence

Sarah Kite, Director of Recycling Services at Rhode Island Resource Recovery Corporation

Jamie Rhodes of Clean Water Action

Victor Bell, President of Environmental Packaging International

**December 6, 2012**

Melissa Innes, Recycling Reinvented

Meghan Stasz, Grocery Manufacturers Association

Andy Hackman, Toy Industry Association

Paul Poe, American Forest and Paper Association

**January 9, 2013**

Tony Fonseca, Packaging & More, Inc.

Steve Arthurs, President and CEO, Rhode Island Food Dealers Association

Susan Robinson, Director of Federal Public Affairs, Waste Management, Inc.

Matt Prindiville, Associate Director, Product Policy Institute

**January 30, 2013**

Allen Hershkowitz, Director, Solid Waste Program, Natural Resources Defense Council

Joan Pierce, Executive Director, American Institute for Packaging and the Environment

Christine Riley, Director, Corporate Social Responsibility, Dunkin’ Brands, Inc.

Scott Cassel, Chief Executive Officer, Product Stewardship Institute, Inc.
Special Legislative Commission to Study Producer Responsibility
Models for Paper and Packaging

Findings

1. The Commission received testimony in support of both mandated extended producer responsibility programs for paper and packaging and voluntary producer efforts to increase recycling of paper and packaging.

The basic tenet of extended producer responsibility (EPR) is that product manufacturers should be responsible for managing their packaging waste once consumers are finished with it. EPR programs shift financial and/or operational responsibility for recycling to private industry. Under EPR systems, producers are required to finance the collection of their packaging materials and ensure that they are reused or recycled. The costs are usually apportioned among producers through formulas developed by a producer responsibility organization (PRO) that represents the participating companies. The PRO would then pay for recycling by reimbursing municipalities that contract for or provide recycling services themselves; a PRO could also contract directly with recycling service providers on behalf of municipalities. The producers pass these costs along as part of the price of products. Producer fees may range from a fraction of a cent to a few pennies per package and are assessed on a weight basis for most materials. The appropriate state agency would set policy and recycling goals and provide oversight to ensure that the goals are met at reasonable cost. The cost for oversight and regulation is borne by industry instead of by taxpayer dollars.

The Commission received testimony on the history of packaging EPR worldwide. Over 40 countries have passed laws that require producers to pay some or all of the costs of managing their post consumer packaging. EPR legislation in these countries requires that industry be responsible for some or all of operating the collection program, with the trend toward full industry funding. In the United States, there are currently 69 EPR laws in 32 states, most of which address a specific product such as mercury switches, electronics waste or batteries. No state has passed legislation implementing comprehensive EPR for paper and packaging. Several states, however, are considering packaging EPR.¹

Both members of the Commission and witnesses gave presentations in support of EPR and provided the following rationale:

- EPR creates a shared responsibility for waste management that includes manufacturers, retailers, consumers, waste haulers, and municipalities. In our current system of waste management, municipalities bear almost the entire financial burden.

- Government has an important role in developing financial incentives to move packaging design away from non-recyclable and hard-to-recycle materials and products. EPR encourages environmentally responsible business practices by creating an incentive for manufacturers to reduce packaging volume and to design packaging with more recyclable materials.

¹ Legislation requiring EPR for packaging has been introduced in North Carolina in 2013. A stakeholder group in Washington State has been discussing the issue for some time. No other legislation has been filed.
One member of the Commission stated that packaging waste represents approximately one third of our entire waste stream that is extremely recyclable, yet only half of the aggregate is being collected for recycling.²

Government has an important role in developing financial incentives to move packaging design away from non-recyclable and hard-to-recycle materials and products.

Rhode Island’s unique opportunity is centered on the fact that our core infrastructure (the central landfill and the materials recycling facility) are owned and operated by the Rhode Island Resource Recovery Corporation, a state quasi-public corporation, giving industry the flexibility needed to create a more effective and efficient program using current facilities. This reduces the possibility of stranded assets when the current municipally funded system migrates to a producer funded system.

Municipalities are generally in support of EPR because of the increasing budget impact of solid waste and recycling collection costs.

There is public support for producer responsibility due to the impact of litter and marine debris on Rhode Island’s beaches and our tourism industry.

Increased collections of recyclables will encourage recycling facilities that utilize recycled materials to locate in Rhode Island which will expand our state’s economy.

Those that oppose EPR provided the following rationale:

EPR is a funding system. Implementing such a comprehensive system will only add complexity to the recycling of post consumer packaging and increase costs to consumers.

EPR does not consider nor encourage consumer responsibility – the consumer is the most important party in ensuring that packaging becomes part of the recycling stream.

EPR does not improve recycling rates. Many manufacturers are already voluntarily involved in packaging reduction and environmental sustainability programs. Many sustainability measures are driven by consumer demand for greener products. It is consumer demand, not legislative mandates, that will incentivize manufacturers.

Packaging cannot be eliminated. Packaging preserves the economic value of the products it protects and it prevents waste. Packaging is also essential for labels instructing consumers on how to safely use products and protects against shoplifting.

Legislative mandates for packaging take-back programs and recycling can have the unintended consequence of harming the environment. Some manufacturers may switch to materials with more recycling or take-back attributes. However, these materials may be heavier, and may require more energy to produce and transport.

² See Appendix, Meeting Summary for November 15, 2012.
Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging

- The Commission was provided many examples of business initiated sustainability measures including collaborating on packaging issues with suppliers, industry peers and experts and working with municipal and state officials.

- Most of the current EPR legislation in the U.S. applies to hazardous items such as mercury switches or hard to manage products such as carpeting or mattresses. The collection and disposal of these items have the potential to cause environmental problems. The collection and disposal of non-hazardous, commonly recycled paper and packaging does not cause environmental issues.

- Current product specific EPR programs have not successfully demonstrated positive cost/benefit collection results.

- There are less costly and more effective alternatives to EPR that should be considered. Implementing pay-as-you-throw systems which require households to pay for collection of their trash based on volume or weight has been shown to be effective in reducing disposal amounts and increasing recycling rates.\(^3\)

2. Legislation has been introduced in the Rhode Island General Assembly this 2013 session that would establish a comprehensive statewide extended producer responsibility program for paper and packaging.

In February 2013, comprehensive EPR legislation, entitled the “Rhode Island Marine Debris Reduction Act”, was introduced in the House and referred to the House Committee on Environment and Natural Resources\(^4\), and in the Senate and referred to the Committee on Environment and Agriculture.\(^5\) The legislation would establish a manufacture financed system for the collection, recycling and reuse of discarded post-consumer packaging materials in Rhode Island. The EPR program would also fund marine litter research and initiatives to reduce litter along Rhode Island beaches and public spaces. Goals of the legislation include reducing packaging that contributes to litter along the coast, increasing recovery and statewide recycling rates for packaging materials, and reducing municipal costs associated with the collection and disposal of post-consumer packaging. Both bills were heard in committee and held for further study. Advocates of the Rhode Island Marine Debris Reduction Act have informed the Commission that there will be significant amendments to the pending legislation.

\(^3\) According to the Director of Recycling Services, Rhode Island Resource Recovery Corporation, the following municipalities have some form of Pay-as-You-Throw: Central Falls, East Providence, West Warwick, Charlestown, Middletown, North Kingstown, Richmond, Glocester, South Kingstown, Narragansett, Tiverton, North Smithfield, New Shoreham, Westerly, Hopkinton and Portsmouth.

\(^4\) House bill 5264 can be found on the Rhode Island General Assembly website at [http://webserver.rilin.state.ri.us/BillText13/HouseText13/H5264.pdf](http://webserver.rilin.state.ri.us/BillText13/HouseText13/H5264.pdf) [June, 2013].

\(^5\) Senate bill 406 can be found on the Rhode Island General Assembly website at [http://webserver.rilin.state.ri.us/BillText13/SenateText13/S0406.pdf](http://webserver.rilin.state.ri.us/BillText13/SenateText13/S0406.pdf) [June 2013].
3. Rhode Island currently imposes a selective extended producer responsibility program for paper and packaging through imposition of beverage and litter taxes.

The Commission finds that Rhode Island currently imposes a selective producer responsibility program for some but not all businesses that sell products containing paper and packaging material. Since 1988, Rhode Island has imposed a litter permit fee on businesses that sell food or beverages for immediate consumption or packaged for take out. The 5,938 businesses subject to this tax last year include convenience stores, restaurants, fast food chains and supermarkets. The tax is based on a business’ gross sales. The state also taxes beverage distributors and wholesalers 4 cents for each case of beverages sold in this state. Only 33 businesses are subject to this tax. Not all producers of paper and packaging are subject to these two taxes, but for the businesses that are, the tax amounts to a cost of doing business in Rhode Island.

The Commission further finds that the revenue generated from the litter and beverage tax is inappropriately added to the general fund. From fiscal year 2010 to fiscal year 2012, the revenue generated from both taxes totaled approximately $5.6 million dollars. The revenue raised from these taxes was originally dedicated to funding litter reduction and recycling programs. Currently, however, all revenues collected are deposited as general revenues. Very little general revenue is spent on recycling or litter abatement in this state. The Rhode Island Department of Transportation spent a total of $632,000 dollars for Department of Correction’s litter crews in fiscal year 2012, with a daily cost of $400 dollars per litter crew.⁶

4. To help extend the life of the Central Landfill, Rhode Island needs to improve the recovery rate of municipal and commercial recyclable materials.

Managing solid waste is an important function of Rhode Island’s cities and towns. The Central Landfill provides almost 100% of the solid waste disposal needs of our cities and towns. The landfill is a finite resource of critical importance to this state and is steadily reaching the end of its available lifetime. An effective strategy for continued landfill operation is the diversion of waste and one method for accomplishing this is to divert recyclable materials from the waste stream that is disposed of in the landfill. Recyclable materials are valuable commodities and should not be thrown away. Diverting recyclable materials not only extends the life of the landfill, but also increases recycling rates.

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⁶ This information provided by the Senate Fiscal Office, December, 2012.
Special Legislative Commission to Study Producer Responsibility Models for Paper and Packaging

Recommendations

1. The Commission recommends supporting both continued work on EPR for paper and packaging through the legislative process and supporting voluntary producer sustainability initiatives.

The Commission received extensive testimony on the concepts of extended producer responsibility and voluntary producer initiatives to advance sustainability and recycling. While these two approaches are very different, they are not mutually exclusive. Both have the same overall goal of creating a more efficient and effective waste management system that focuses on increasing the diversion of material that is landfilled and increasing recycling rates.

Rhode Island law mandates that cities and towns achieve a recycling rate of 35% and a diversion rate of 50% by 2012.\(^7\) Few municipalities have reached both targets.\(^8\) The Commission recommends supporting both extended producer responsibility and voluntary producer initiatives as strategies that can assist municipalities in achieving diversion and recycling goals. The Commission recommends supporting EPR by continuing work on legislation that is pending in both the Senate and the House that would establish an extended producer responsibility program for paper and packaging in this state. Active participation in the legislative process is important when, as in this case, comprehensive amendments to the EPR legislation are being considered. An opportunity for continued and robust dialogue is important to further vet the issues.

The Commission also recommends supporting voluntary industry initiated sustainability measures. Throughout the Commission process, industry representatives emphasized their commitment to decrease waste and increase recovery and recycling rates through their continued efforts to reduce packaging, develop best practices for waste management, support education programs and coordinate these efforts with state and local governments. The Commission encourages businesses to establish partnerships with Rhode Island Resource Recovery Corporation and municipalities and tailor their sustainability initiatives to meet Rhode Island needs. Through such a coordinated effort businesses can assist Rhode Island in increasing recovery and recycling rates.

2. The Commission recommends that Rhode Island Resource Recovery Corporation complete a waste characterization study.

A waste characterization study is an essential first step in creating a more efficient and effective solid waste management system for our state. A waste characterization study identifies the types of materials being landfilled and in what proportion. The study will map Rhode Island’s waste stream so that decision makers can focus their efforts on diverting the most appropriate materials that will have the greatest impact. While a waste composition study may not collect new data on curbside recycling, it would instead combine existing data on recycling with data on waste disposed to derive total generation estimates. Additionally, knowing the composition of what Rhode Island residents

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\(^7\) See RIGL 23-19-13(e)(3).
\(^8\) For a listing of recycling and diversion rates for Rhode Island municipalities, see How is My City or Town Doing, http://wwwrirrcorg/customers/municipal-recycling/ [June 2013].
recycle curbside will also help determine the level of compliance with recycling and where more education is needed. It was 23 years ago, in 1990, that Rhode Island last completed such a study.

Those who testified before the Commission agree that a study should be completed but disagree on how to pay for it. A legislative resolution asking all stakeholders to provide funding for this important study may be appropriate to ensure its completion, but it is important that the study be designed and conducted in a cost-effective manner. A waste composition study is an essential first step in creating more efficient methods of prevention, reuse, recycling, and composition of waste.

3. The Commission recommends that the revenue generated from the litter and beverage taxes should be used to support recycling and litter abatement programs.

Beverage taxes and litter taxes were originally levied on certain businesses for a specific purpose - to fund recycling and litter control programs. One justification for the taxes was that businesses subject to the taxes sold products whose packaging contributed to the state’s litter problem. These revenues are no longer allocated for recycling and litter control and instead are deposited as general revenue and the justification for the tax no longer exists. Furthermore, the tax only targets a subset of producers. Witnesses testifying before the Commission described the taxes as a cost of doing business in Rhode Island. To address this issue, the Commission recommends amending Rhode Island General Laws, chapter 44-44 to require that all revenues collected from the litter and beverage taxes be dedicated to recycling and litter abatement programs. A dedicated funding source to address recycling and litter would improve recovery and recycling rates in this state – a goal of both legislative EPR programs and voluntary producer initiatives.

4. In order to preserve the Central Landfill, Rhode Island needs to increase both the diversion of materials from the Central Landfill and increase recovery of recyclable material.

   a. The Committee recommends that the municipal cap be based on each municipality achieving its recycling and diversion goals.

The General Assembly established the municipal tipping fee of $32.00 dollars per ton of solid waste deposited in the Central Landfill, up to a cap that is based on a city or town’s population. The lowest commercial rate is charged if a city or town exceeds the cap. The Commission received testimony that this tipping fee is far lower than others in the region. Many witnesses also testified that the low tipping fee does not encourage municipalities to recycle more or encourage residents to generate less waste.

As of July 1, 2012, municipalities must recycle a minimum of 35% of their solid waste and divert a minimum of 50% of their solid waste.9 The diversion rate is defined in statute as the total amount of material diverted from disposal through waste prevention, recycling and re-use.10

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9 RIGL 23-19-13(e)(3) requires every city or town that enters into a contract with the Rhode Island Resource Recovery Corporation to dispose of solid waste shall be required to recycle a minimum of 35% of its solid waste and to divert a minimum of 50% of its solid waste.
The Commission recommends that the solid waste cap for each city and town should be based on achievement of both the recycling and diversion goals established by the legislature. This would raise the cost of disposal closer to regional tipping fees for communities that do not achieve the goals, providing a stronger economic incentive to increase recycling and waste diversion.

This same kind of economic incentive can be used to encourage households to recycle and divert more. Most Rhode Islanders pay for trash collection through property taxes or a fixed fee, regardless of how much or how little trash a resident generates. Charging all residents the same flat fee provides no incentive to reduce waste or increase recycling.

Implementation of pay-as-you-throw (PAYT) programs can help Rhode Island cities and towns meet their recycling and diversion goals. PAYT is a cost based approach that charges residents for trash collection based on how much trash they generate. This means that residents would pay for trash the same way they pay for other utilities and services like water and electricity – based on the amount of the service they use. Sixteen Rhode Island communities have implemented some form of PAYT: Westerly, Hopkinton, Richmond, New Shoreham, South Kingstown, Narragansett, North Kingstown, East Providence, West Warwick, Charlestown, Middletown, Glocester, Tiverton, North Smithfield, Portsmouth, and Central Falls. PAYT creates a direct economic incentive to recycle more and to generate less trash.

Taken together, these two economic incentives to amend the cap to reflect the state’s goals and to encourage more communities to implement PAYT would have a positive impact on diversion and recycling rates in this state.

b. Authorize Rhode Island Resource Recovery Corporation to conduct a pilot program that promotes increased recycling rates for multi-unit residential properties.

The Commission received testimony that there is significant potential for increasing the amount of recycling for larger multi-family residential properties. Municipalities typically provide curb side parallel collection of trash and recyclables for up to 4 units. The managers of larger apartment buildings and condominiums contract with private haulers for trash removal. Private waste haulers have no incentive to provide parallel services. Current law provides that trash generated by a residential condominium, when collected by a municipality, shall be charged the municipal tipping fee. The Commission recommends allowing Rhode Island Resource Recovery Corporation to establish a 3 year pilot program effective in 3 municipalities, that authorizes the Corporation to charge private haulers the municipal tipping fee if the hauler separately collects the recyclables and

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10 According to 2012 Municipal Waste Management Data posted on Rhode Island Resource Recovery Corporation’s website [http://www.rirrc.org/content/](http://www.rirrc.org/content/) [June 2013], 15 of 36 Rhode Island municipalities have met the 35% recycling goal and 5 have met the 50% diversion goal.

11 The U.S. Environmental Protection Agency supports PAYT programs because they address environmental sustainability, economic sustainability and equity. For more information regarding PAYT programs, see [http://www.epa.gov/epawaste/conserve/tools/payt/index.htm](http://www.epa.gov/epawaste/conserve/tools/payt/index.htm) [June, 2013].

12 This information was provided by the Director of Recycling Services, Rhode Island Resource Recovery Corporation.

13 RIGL 23-19-39 provides “solid waste generated by a residential condominium, when collected and disposed of by a city or town of Rhode Island, shall be charged the same tipping fee per ton as the municipal rate.” That same solid waste when collected by a private hauler is considered commercial waste and subject to the higher commercial tipping fee.
brings them to the Materials Recycling Facility (MRF).\(^\text{14}\) The Commission further recommends that the recyclables delivered to the MRF be included in the profit share program. As part of the pilot program, the Corporation will track the amount of solid waste deposited at the landfill and the volume of recyclables brought to the MRF. At the conclusion of the 3 year program, the Corporation will issue a report that analyzes the effectiveness of the pilot program on increasing recycling rates balanced with increase tonnage/volume of landfilled waste and whether the pilot should be extended to all municipalities. The discounted tipping fee would offer an economic incentive to waste haulers. Multi-unit residences would have convenient collection of recyclables.

c. Increase recycling in public spaces by requiring sponsors of public events that require a permit to provide parallel services.

The Commission received testimony that there is a lack of opportunities to recycle away from home. One way to address this is to mandate that sponsors of public events be responsible for providing and funding recyclables and trash collection. This would require that all licenses or permits for public events stipulate that the sponsor provide marked receptacles for the collection of recyclables and also arrange for the transportation to the MRF or other appropriate destination. The Commission further recommends that in the case of a public sponsor, all recyclables collected and brought to the MRF would be counted toward the municipality’s profit share with the Resource Recovery Corporation.\(^\text{15}\) This recommendation will help the state increase the amount of material diverted from the landfill, increase recycling rates, and re-enforce the importance of recycling away from home. For example, existing litter and beverage tax funds could be used to purchase reusable bins that could be made available to event organizers and then returned to Resource Recovery Corporation.

d. Provide businesses opportunities to partner with municipalities to increase recycling rates.

The Commission received testimony that many businesses are already voluntarily involved in packaging reduction and environmental sustainability programs and that a component of sustainability includes voluntary partnerships with public decision makers to improve recycling rates. To facilitate voluntary business engagement, the Commission recommends that Resource Recovery Corporation establish a website where municipalities can identify specific projects that businesses can voluntarily support through education, technical expertise, and sponsorships. In addition, the Commission recommends that Resource Recovery work with municipalities to properly vet these local initiatives prior to posting online. It is the Commission’s belief that by establishing a role for Resource Recovery Corporation to bring local government and businesses together, we can improve recovery and recycling rates in this state.

\(^\text{14}\) The Resource Recovery Corporation manages the state’s recycling program and owns and operates the Materials Recycling Facility located in Johnston Rhode Island. The MRF serves the entire state, processing both municipal and commercial recyclables.

\(^\text{15}\) Resource Recovery Corporation distributes to cities and towns 50% of the profits realized from the sale of recyclables.
e. Require private waste haulers to provide parallel services.

Residential recycling is a routine household activity for most of the residents in this state, with the vast majority of municipalities providing curb side recycling collection or drop-off at a local transfer station. Some residents, however, may contract for trash collection from private haulers, but those haulers do not offer curbside collection of recyclables or do so only at an additional cost. Similarly, while Rhode Island law mandates that businesses recycle, there exists no comprehensive statewide commercial recycling program similar to the successful municipal recycling program.  

The Commission received testimony that many business do not recycle. To promote additional residential recycling and to assist businesses in arranging for the collection of recyclables, the Commission recommends mandating that private haulers of residential and commercial solid waste provide parallel services. This would require that any contract that a Rhode Island business executes with a waste hauler include a provision that the hauler also pick up recyclables; the same provision would apply to residential collection contracts with individual households. This recommendation recognizes private industry’s important role in the state’s solid waste management plan and further recognizes that private industry participation is essential in expanding recycling opportunities and increasing the recovery of post consumer materials in this state.

e. Encourage Rhode Island Resource Recovery Corporation to partner with AMERIPEN with a goal of increasing recovery of recyclable materials.

The Commission received testimony from the Executive Director of the American Institute for Packaging and the Environment (AMERIPEN) who explained that AMERIPEN is an industry and trade organization established to advocate and educate on packaging policies, providing a material neutral and scientific basis to support initiatives in three areas: understanding EPR for paper & packaging materials; increasing the recovery of used packaging; and communicating the value of packaging. AMERIPEN believes a collaborative approach between brand owners, their suppliers, public works agencies and governmental policy makers is needed for the effective and efficient recovery of end of life packaging. To this end AMERIPEN, has initiated a “100 Cities Project” which involves collecting municipal data on best practices in residential recycling from the 100 largest cities across 36 states, and is including the District of Columbia and the entire state of Rhode Island. AMERIPEN will use the data it collects to identify best practices and to pursue projects in partnership with several municipalities with a goal of increasing material recovery rates. AMERIPEN has invited the Rhode Island Resource Recovery Corporation to partner with them to help improve recovery rates in Rhode Island. The Commission enthusiastically supports this private-public partnership.

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16 See RIGIL 23-18.8-2 and 23-18.9-1. See also, RIDEM Rules and Regulations for Reduction and Recycling of Commercial and Non-municipal Residential Solid Waste, Rule 7(a) requires that “[a]ny person who generates commercial solid waste . . . shall segregate their solid waste.”

17 State law does not require the licensing of businesses that collect and dispose of solid waste. However, RIGL 23-18.9-1(b)(1) authorizes cities and towns to adopt rules and regulations pertaining to the licensing of individuals that collect and haul trash within the municipalities boundaries.
Addendum 1: Resolution
RESOLVED, That a special legislative commission be and the same is hereby created consisting of nine (9) members: four (4) of whom shall be representatives from the Senate, not more than three (3) of whom shall be from the same political party, to be appointed by the Senate President; one of whom shall be the Director of the recycling program from the Rhode Island Resource Recovery Corporation, or designee; two (2) of whom shall be representatives of environmental interests to be appointed by the Senate President; and two (2) of whom shall be representatives of businesses, including an expert on producer responsibility programs for paper and packaging, to be appointed by the Senate President.

In lieu of any appointment of a member of the legislature to a permanent advisory commission, a legislative study commission, or any commission created by a General Assembly resolution, the appointing authority may appoint a member of the general public to serve in lieu
of a legislator, provided that the majority leader or the minority leader of the political party which is entitled to the appointment consents to the member of the general public.

The purpose of said commission shall be to make a comprehensive study of the opportunity to preserve long-term landfill capacity for Rhode Island municipalities by continuing to expand the diversion of paper and packaging through a producer responsibility program.

The commission’s recommendations shall include, at a minimum: a set of criteria to be used to evaluate paper and packaging materials proposed for product stewardship solutions; methods to identify and monitor progress toward stewardship performance goals for collection and recycling of materials; options to facilitate the creation of industry-managed stewardship management organizations; methods to fund increased diversion of paper and packaging; and structures for agency oversight of a collection and recycling program.

Forthwith upon passage of this resolution, the members of the commission shall meet at the call of Senate President who shall select a chairperson from among the Senators.

Vacancies in said commission shall be filled in like manner as the original appointment.

The membership of said commission shall receive no compensation for their services.

All departments and agencies of the state shall furnish such advice and information, documentary and otherwise, to said commission and its agents as is deemed necessary or desirable by the commission to facilitate the purposes of this resolution.

The Joint Committee on Legislative Services is hereby authorized and directed to provide suitable quarters for said commission; and be it further

RESOLVED, That the commission shall report its findings and recommendations to the Senate President no later than March 5, 2013, and said commission shall expire on June 4, 2013.

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This resolution would create a nine (9) member special legislative commission whose purpose shall be to make a comprehensive study of the opportunity to preserve long-term landfill capacity for Rhode Island municipalities by continuing to expand the diversion of paper and packaging through a producer responsibility program, and who would report back to the General Assembly no later than March 5, 2013, and whose life would expire June 4, 2013.
Addendum 2: Meeting Summaries
First Meeting Summary, November 15, 2012

Chairman William A. Walaska welcomed the Commission members and guests and thanked them for their participation. The Chair stated that this Commission was created to study opportunities to preserve long-term landfill capacity by expanding the diversion of paper and packaging through producer responsibility programs. From these hearings, it is the Committee’s goal to better understand and evaluate producer responsibility programs for paper and packaging in this state.

Jamie Rhodes, Executive Director, Rhode Island Clean Water Action, presented in support of producer responsibility stating that it is the responsibility of government to establish collection and disposal goals that are in the public interest. However, industry should be free to innovate the best methods to meet these goals and provide a detailed implementation plan for agency approval. There are 3 specific benefits in establishing a producer responsibility program. First, producer responsibility programs create a shared responsibility for waste management that includes manufacturers, retailers, consumers, waste haulers, and municipalities. In our current system of waste management, municipalities bear almost the entire financial burden. Packaging waste represents approximately one-third of our entire waste stream that is extremely recyclable, yet only half of the aggregate is being collected for recycling. We need to develop material type collection measures since cardboard, for example, skews the aggregate measure, while plastics have only a roughly 12% collection rate. Government has an important role in developing financial incentives to move packaging design away from non-recyclables and hard-to-recycle materials and products. Rhode Island’s unique opportunity is centered on the fact that our primary facilities (the central landfill and the materials recycling facility) are state-owned and operated, giving us the flexibility needed for industry to create a more effective and efficient program using current infrastructure. Municipalities are largely supportive because of the increasing budget impacts of waste and recycling collections. Public support exists for producer responsibility because of the impact of marine debris on our beaches and tourism industry. This state has adopted producer responsibility programs for mercury auto switches, electronic waste, mercury thermostats and architectural paint. In setting goals, the public interest is, from Clean Water Action's perspective, best served by focusing on reduce, reuse, recycle...in that order. Maintaining our ban on waste incineration is a reflection of these priorities; incineration is a net loss of resources while producer responsibility focuses on maintaining the value of our natural and manufactured resources for as long as possible. We would be well served to review what is necessary to promote local economic development by helping recycling facilities locate into Rhode Island by reducing the overall transportation costs to this system and improving workforce development for the state.

Victor Bell, President of Environmental Packaging International, presented the mechanics of extended producer responsibility (EPR). The basic premise of EPR is that producers take responsibility for their packaging at the post-consumer stage. This shifts responsibility for recycling and waste disposal from local government to private industry, e.g. “producers”. There is a long history of packaging EPR worldwide, with more than 40 countries having some form of packaging EPR. Canada implements EPR on a province-by-province basis. Similarly, EPR in the US would have to be on a state-by-state basis. Most new EPR programs are funded and controlled by industry with oversight by the state. In the United States there are currently 69 EPR laws in 32 states. Most of these laws address one product, such as waste electronics, batteries or mercury switches in automobiles. Ten states have bottle bills. The following states are considering
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packaging EPR: Maryland, Delaware, Minnesota, North Carolina, Washington, and Rhode Island. According to the EPA Solid Waste Report 2010, containers and packaging represent nearly one-third of all municipal solid waste generated in this country. The container and packaging waste is composed of the following materials:

- Paper and paperboard packaging (50%)
- Plastics packaging (18%)
- Wood packaging (13%)
- Glass packaging (12%)
- Steel packaging (4%)
- Aluminum packaging (3%)
- Other (less than 1%)

The overall recycling rate for container and packaging materials is 48.3%; the recycling rate for each material varies considerably as follows:

- Paper and paperboard packaging (71.3%)
- Steel packaging (69%)
- Aluminum packaging (35.8%)
- Glass packaging (33.4%)
- Wood packaging (23.1%)
- Plastics packaging (12.1%)
- Other (less than 1%)

Less than 40% of the potential recyclables are now being collected. Currently, Rhode Island cities and towns pay for most of the costs related to recycling packaging. Our local governments also pay for litter collection of packaging waste that ends up as marine debris. Eighty percent (80%) or more of marine debris is attributable to land-based sources. Of the debris that ends up in our water resources, as much as two-thirds (2/3) originates as post-consumer packaging materials. Municipal governments and taxpayers bear the entire cost associated with managing packaging, including its collection for recycling; away from home collection (i.e. beach clean-ups), and disposal in landfills. Municipal governments are financially strapped and bearing sole responsibility for collecting post-consumer packaging waste is coming at the expense of funding for police and fire protection, teachers and education, and other essential government services.

Rhode Island has a long history with EPR. For example, the state has implemented producer responsibility programs for tires and paint. Rhode Island industry, both retail stores and the beverage industry, presently pays EPR fees for recycling and litter control, but get nothing for their money. The revenue collected is not controlled by industry. The state is in a unique situation because it owns the central landfill and the materials recycling facility which results in a lower cost to implement EPR than in other states. Also, Rhode Island has good existing infrastructure for the collection of materials. Rhode Island cities and towns participate in a revenue share program with Resource Recovery Corporation on income from the sale of recyclables.

Sarah Kite, Director of Recycling, Rhode Island Resource Recovery Corporation, presented on infrastructure in this state that supports recycling activities. Cities and towns have autonomy in how their collection programs work. Each municipality has a cut-off number for the units in a
residential structure they will serve under the municipal program which is between 4-8. Multi-families and condos beyond that are treated as commercial entities. Municipalities also decide whether to collect from schools and other municipal buildings and offices. Most cities and some towns offer a full curbside service for trash and recycling, while other communities require residents to bring waste and recycling to a transfer station themselves or hire a private hauler to do so for them. Rhode Island residents are always welcome to come to Resource Recovery at any time. The General Assembly sets municipal tip fees at $32 dollars per ton of solid waste, up to a cap that is based on a city or town’s population. The lowest commercial rate is charged when exceeding the cap. By law, Resource Recovery does not charge a tip fee for recyclables and leaf and yard waste.

The following factors in determining which materials are recycled in this state at any given time. First, there must be a market for the material. Resource Recovery is always looking for new potential markets. Resource Recovery must be able to collect the needed volume on the requested schedule. The Materials Recycling Facility (MRF) must be capable of separating the material in a manner that would produce sufficient quality material. Finally, Resource Recovery’s goal is to realize a profit on the sale of recyclables (after all costs are accounted), and to share 50% of that profit with the cities and towns.

Within the last few months, the MRF facility changed over from a dual stream (blue and green bin recycling) that accepted plastic resins 1-2, to expanded single stream recycling. The MRF’s enhanced “optical sorting” technology, allows for all recyclable materials to come mixed together, with the optical readers recognizing and sorting plastic resins numbered 1-7. The state recycling goal is 35% recycling rate by 2012 and 50% diversion rate by 2012. These goals were set by the State of Rhode Island. Resource Recovery is here to assist municipalities with their efforts to increase rates towards achieving these goals. There are no penalties for failing to reach the target recycling rates. The following are current statistics:

- The average municipal recycling rate is 32%;
- The average municipal diversion 35%;
- Total annual collection costs for municipalities is over $50 million dollars;
- Tons of refuse landfilled last totaled 330,000;
- About 375,000 house holds were served.

Rhode Island is doing an increasingly better job of capturing recyclable material such as household paper and packaging, as evidenced by the increase in the recycling rate (up to 32% in 2012 from 21% in 2007). Extended producer responsibility, at this point and with current infrastructure, is best suited to recover “hard to handle” or toxic materials, and there is a need to expand these types of programs. Examples of potential target materials are mattresses, carpet, and fluorescent lamps. To implement EPR programs, a new management structure should be considered - either a new stand-alone division within the Rhode Island Department of Environmental Management or a new quasi-public agency dedicated to EPR program management.

Shelia Dormody, Director of Sustainability for the City of Providence presented the municipal perspective that promotes partnering with manufacturers to share the financial responsibilities for collecting and recycling waste in this state. In furtherance of this objective, the City of Providence is a member of the Rhode Island Product Stewardship Council, established last year to advocate for producer responsibility strategies to decrease the financial burdens on municipalities. The Council
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consists of 9 members: Woonsocket, Burrillville, Central Falls, North Smithfield, Jamestown, West Greenwich, Portsmouth and Middletown. Nationally, support for producer responsibility is growing.

Over time, packaging materials and throw away products comprise a larger share of municipal waste. Today approximately 71% of our waste consists of these materials and this percent is growing annually, as reflected in the chart below.

Municipalities are responsible for the costs of managing this waste, yet local governments have no control over the products and packaging materials introduced into the marketplace that ultimately ends up in the waste stream. Manufacturers, however, can create and introduce products into the marketplace and make those products as disposable as they want while assuming (correctly) that local governments will bear the financial burden to collect and recycle the materials.

The City of Providence is grateful for the 4 producer responsibility laws passed by the General Assembly. In particular, the electronic waste ("e-waste") producer responsibility program has been a great benefit to the city by reducing our tonnage of trash sent to the landfill and by providing a convenient service to our residents. There are costs to the city to manage these programs. The Providence Public Works Department provides e-waste and mattress collections 1-2 times per month during mild weather at a cost of about $1,000 per collection. An important consideration for this Commission when considering paper and packaging producer responsibility models is to ensure that municipalities do not bear any additional costs.

The City of Providence is making a strong effort to take advantage of the expanded recycling available through curbside collection of more types of plastic materials. In calendar year 2011, Providence had the second worst recycling rates in the state at 14.6% of total waste tonnage collected at curbside. The City made a significant investment in the new Recycle Together Program with the delivery of new 65 gallon trash cans to all residents and designating their existing 95 gallon green cans for recycling - sending a message that the majority of waste is made up of recyclable materials. The program has seen an increase of 6.3% in recycling rates in the neighborhoods where the new system has been implemented. The goal is to achieve 25% recycling rate within 1 year.

The City's cost for managing, collecting and transporting waste and recyclables is significant. Providence renegotiated a 5 year contract with Waste Management, which included 50,000 new curb side trash cans, at a cost of $5.9 million dollars per year. Tipping fees will add an additional $1.4 million per year if the recycling rate reaches 25% for a total of approximately $7.3 million dollars. This amount does not include the cost of e-waste and mattress collections staffed by the Public Works Department. If Providence does not achieve its recycling rate goal of 25%, costs will be higher. The significant expense for public outreach on the new collection program is funded by $203,000 received from Resource Recovery Corporation's recycling profit share program.

It is unrealistic to assume that municipalities can continue to bear this financial burden that continues to increase over time. Maintaining the status quo is not an option - without increased diversion rates, the central landfill will reach capacity and we will be forced to transport our trash to out of state incinerators, an extremely costly option. We ask that the manufactures be partners and share in the managing and financing of these disposal costs and that manufacturers make design
changes to make products and packaging less toxic, more durable and contain less packaging overall.

The City of Providence supports Rhode Island Clean Water Action's principles concerning producer responsibility models and asks that this Commission also consider that any good producer responsibility program must include the following:

- Give manufactures the flexibility to implement a program in a manner that works best for them;
- Any producer responsibility program must take advantage of Resource Recovery Corporation's Materials Recycling Facility (MERF) and existing municipal recycling collections programs or pay for the costs of these stranded assets;
- Provide at least the same level of convenience to residents;
- Include key recycling targets and appropriate government oversight of the program;
- Ensure that there are no increased costs to municipalities. It is not realistic to establish individual producer responsibility programs for each type of paper and packaging product or material;

If the Commission is considering a phase in of producer responsibility, address those products that currently pose a challenge to our recycling system such as glass which is recyclable but difficult to market and Styrofoam which is not collected curbside but is a recyclable material.

Finally, establish a timeline for implementation for producer responsibility to encourage design changes.

**Majority Leader Ruggerio** commended Shelia Dormody and the new recycling initiative stating that he was present when the award was given to the city Ward with the highest recycling rate.

**Shelia Dormody** concluded by stating that the Mayor and his administration is committed to shared responsibility with manufacturers for the managing, collecting and disposal of waste and recyclables and would provide resources to this Commission to address this issue.
Second Meeting Summary, December 6, 2012

Chairman William A. Walaska welcomed the Commission members and guests and thanked them for their continued commitment to this Commission. The Chair stated that this is the second of several hearings to explore opportunities to preserve long-term landfill capacity through the diversion of paper and packaging from the waste stream. Today’s meeting we will hear from the business community regarding producer responsibility and sustainability approaches that reduce the amount of paper and packaging materials that end up in the landfill.

Melissa Innes, Outreach Director, Recycling Reinvented presented on work that Recycling Reinvented is doing to advance extended producer responsibility for packaging and printed paper. The presentation and written testimony is available online at http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html [June, 2013].

Andrew Hackman, Vice President of Government Affairs, Toy Industry Association presented on TIA’s support of market based producer responsibility efforts as well as incentives for increased recovery and sustainable product and package design. The written testimony is available online at http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html [June, 2013].

Paul Poe, Director of State Government Affairs, American Forest and Paper Association (AFPA) presented in opposition to extended producer responsibility. The paper industry seeks to defeat or amend legislation that would interfere with existing voluntary market-based paper and packaging recovery systems to ensure that the focus on such recycling efforts remains on increasing paper recovery. The American Forest and Paper Association noted that paper and paperboard (cardboard) recovery rate has increased by 8.6% between 2007 and 2010. Further, AFPA has established sustainability goals that include: a paper recovery rate to exceed 70%, an increase in efficiency by 10%, GHG Emissions: Reduce intensity by 15%. AF&PA shares the goal of increased recovery and landfill diversion but promotes achievement through goal setting, resources, recognition, and partnerships and suggests alternatives to EPR including Voluntary State-based Recovery Programs, Statewide Solid Waste Management Plans, Waste-to-Energy, Composting Pay as You Throw, Advanced Recycling/Disposal Fees, Recycling Grants, and Incentive Programs. The presentation is available online at http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html [June, 2013].

Meghan Stasz, Senior Director of Sustainability Grocery Manufacturers Association (GMA) presented in opposition to producer responsibility. The comprehensive membership of Grocery Manufacturers Association includes 300 food, beverage and consumer product companies, including many notable labels, such as SC Johnson, Campbell’s, Proctor & Gamble, Target, and Pepsi. Ms. Stasz provided several examples showing how members of GMA have made notable innovations in sustainability to conserve natural resources and reduce packaging including a 4 billion pound packaging weight cumulative avoidance initiative for 2005-2020. Other sustainability initiatives include:

- Cargill’s engineers designed and installed a methane reuse system that has and have displaced 20-25 percent of all natural gas use and reduced greenhouse gas emissions by 325,000 metric tons annually.
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• The Kellogg Company has reduced electricity use at its warehouses in North America decreased 53% since 2005.
• Since 2005, Kraft has removed more than 50 million road miles from its global transportation network.
• On a global basis, approximately 40% of S.C. Johnson’s electricity comes from renewable energy sources.
• The Dole Company has begun packaging bananas with a revolutionary process that reduces the use of water by 90%.

GMA members have also redesigned packaging materials:

• The Colgate-Palmolive Company’s global redesign of some toothpaste tubes and caps reduced consumption of non-renewable energy and natural resources by over 30% and greenhouse gas emissions by about 50%.
• Heinz now manufactures all glass ketchup bottles using 100% post-consumer reground and recycled glass.
• The Campbell Soup Company has reduced the amount of steel required to make soup cans by more than 1,800 tons since 2005.
• The Hershey Company reduced the packaging on syrup bottles, eliminating 12.5 metric tons of high-density polyethylene in 2009.
• The Procter & Gamble Company launched a new package for their high performance razor that has a 57% reduction in plastic compared to the originally launched outer pack and razor tray.

Based on consulting firm SAIC’s report analyzing the effectiveness of EPR, GMA concludes that EPR is not an effective solution and points to 3 main reasons: (1) U.S. overall MSW recycling rate is equal to or better than Canada & Europe; (2) EPR does not cause changes in package design or selection; and, (3) EPR has not decreased system cost but has increased government and administrative costs. Finally GMA states that the SAIC report identifies 18 policies that are effective and efficient in improving recycling & recovery rates.

GMA suggests a holistic approach to waste management comprised of five components: evaluate options for managing waste; continue to reduce waste while increasing recovery and recycling rates; address food waste; and, coordinate efforts.

GMA offers other options for waste management including initiatives such as: pay-as-you-throw programs, variable pricing and bins, single stream recycling, and mandatory recycling. GMA also suggests that recycling rates will increase if low-tech infrastructure is upgraded and notes that United States lags behind other countries in waste-to-energy recovery rates. Finally GMA suggests steps to address food waste and tips to coordinate efforts. The presentation is available online at http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html [June, 2013].

The Product Policy Institute submitted several documents to the Commission at the meeting. The documents are available online at http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html [June, 2013].
Chairman William A. Walaska welcomed all Commission members and guests and explained that this was the third meeting of the Commission to study methods to divert paper and packaging material from our state’s central landfill. The Chairman stated that today’s meeting we will hear from the Rhode Island business community on their efforts to increase recycling and other sustainability measures.

Steve Arthurs, President and CEO, Rhode Island Food Dealers Association (RIFDA) provided an overview of the state’s food industry’s efforts to preserve the environment and provided specific examples of sustainability measures. The RIFDA asked that the Commission be mindful of the costs to manufacturers when making recommendations. The written testimony is available online at [http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html](http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) [June, 2013].

Susan Robinson, Director of Federal Public Affairs, Waste Management, Inc. Presented in opposition to extended producer responsibility and in support of Rhode Island’s current recycling programs. The presentation is available online at [http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html](http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) [June, 2013].

Matt Prindiville, Associate Director, Product Policy Institute presented in support of extended producer responsibility and also presented on the costs of packaging waste to our communities, environment and economy. The written testimony is available online at [http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html](http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) [June, 2013].

Tony Fonseca, Packaging & More, Inc. stated that Packaging & More has been a locally owned and family operated business since 1993. His company is a food service packaging supplier of independent grocers, bakeries and restaurants in Rhode Island, Massachusetts and Connecticut. Packaging & More promotes environmentally friendly initiatives. In general, the rule of thumb is if a green initiative costs no more than 10% more than a traditional product, we encourage and promote it. Some examples include green film trash liners and napkins.

We’ve also promoted a plan that allows for ease of recycling at home. Every catering platter and lid we sell is composed of PET – a material that can easily be recycled at home. Until recently, residential plastic recycling options were limited, but all of these catering options were readily recyclable.

In general, we will not use one item that disparages another item. Plastic, paper, and reusable bags all have a purpose in the marketplace. Plastic and paper bag consumption is flat or down. Reusable bag consumption has leveled off. And overall volume of single use cashier bags are down year after year. The bottom line is that all three types of bags are viable options that we make available to our customers.

Our customers also initiate environmentally friendly practices. For example, Dave’s Marketplace, an independent Rhode Island grocery chain, requested recyclable pizza boxes rather than use non-recyclable and cheaper clay coated boxes. This program was built from the
ground up, with being environmentally conscious in mind. Dave’s wanted to use recyclable and biodegradable pizza boxes so we designed the product in concert with them to meet their needs. We also recently revised the footprint of the pizza box, making it smaller so the boxes took up less space in shipping, storing and disposing.

Another example of a green initiative is that nearly every plastic bag that we sell is loaded with a minimum of 30% recycled content. We were also the first local distributor to have a 100% recycled produce bag.

The coffee cup business is another example of sustainability measures. Some customers will pay more for biodegradable cups that typically are not composted and instead end up in the waste stream and ultimately landfilled. Iced coffee has become available in microwavable cups which has only recently been recyclable in RI and is not recyclable in most states. Ice coffee could be easily served in PET. We need to educate and encourage businesses to use PET and all plastics appropriately.

Many of our customers use 100% recycled paper towels and napkins and also put in place conservation measures such as a paper towel dispenser that is programmed with up to a five second delay to discourage multiple towel use. The written testimony is available online at [http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html](http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) [June, 2013].
Chairman William A. Walaska thanked everyone for attending today’s meeting of the Senate Committee to Study Producer Responsibility Models for Paper which this is the 4th hearing for this Commission created to study opportunities to preserve long-term landfill capacity by expanding the diversion of paper and packaging materials. The Chair stated that the next meeting will be a work session for the members to discuss recommendations that will increase recycling and divert paper and packaging materials from our Central Landfill. The meeting will be open to the public. The Chair then welcomed the first speaker.

Allen Hershkowitz, Senior Scientist, Natural Resources Defense Council presented in support of producer responsibility stating that it is designed to replace the current municipal waste management system that subsidizes waste generation and unfairly burdens taxpayers. EPR is designed to help municipalities finance their waste management infrastructure by having industry responsible for financing the materials recovery and litter prevention/abatement goals through internal assessments to the producers. Municipalities using tax dollars to finance the collection of packaging waste sends no cost signal to the designers of packaging. Often an item purchased by a consumer can be as much as 90% package. This happens because marketers can add packaging with impunity, knowing that the taxpayer will have to foot the bill. Disposal costs should be built into the product. Based on an estimate prepared by the consulting firm DSM, an EPR program would provide municipalities in Rhode Island with $13.8 million related to covering existing collection costs and an additional $5.3 million annually to cover costs associated with expanding the recycling program for a total estimated annual benefit to RI municipalities of $19.1 million. EPR for packaging can substantially increase the investment that coastal communities need to control plastic packaging waste discharges to the marine environment. To preserve RI’s landfill recycling has to increase. The cost of EPR on any single product will be so small that it is hidden to the consumer. However, the charges assessed on a material-specific basis will add up to provide an economic incentive for the producer to consider packaging alternatives to reduce overall costs, and to consider availability of recycling technologies for packaging choices. The presentation and written testimony is available online at http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html [June, 2013].

Joan Pierce, Executive Director, American Institute for Packaging and the Environment (AMERIPEN) provided an overview of the packaging industry stating that more than 750,000 people are employed in the packaging industry in the United States. Packaging contributes at least $200 billion to the U.S. economy, or about 2% of our GDP. In Rhode Island there are over 60 packaging companies. Rhode Island’s consumer product manufacturing sector employed more than 26,000 skilled workers with $1.2 billion in total wages in 2006. All of these products require packaging and all of these companies, either directly or indirectly, employ packaging professionals. The state of Rhode Island is very much a part of the packaging value chain.
AMERIPEN is a non-profit North American industry and trade organization that advocates and educates on packaging policies related to the environment.

Launched in 2011 by ten founding member companies, including Kellogg’s, Coca-Cola, Proctor and Gamble and Du Ponte, AMERIPEN’s core values rest on the fundamental tenets of collaboration and decision making based upon data and sound science. AMERIPEN’s current initiatives focus on three areas:

- Understanding EPR for packaging materials;
- Increasing the recovery of used packaging; and
- Communicating the value of packaging.

These initiatives are part of our vision for the U.S. where goods are protected by optimized packaging that is effectively and efficiently recovered with an optimized and financially stable recovery system. Realizing this vision will require a change in consumer and legislative attitudes as well as brand owner strategies towards packaging; a transformation of the existing recovery infrastructure into a best proactive system for effective and efficient recovery of end of life packaging; and creating relationships between brand owners, their suppliers, public works agencies and government policy makers to support a financially viable recovery system. To this end, AMERIPEN has initiated a “100 cities project” to answer key questions on recovery and determine next steps through municipal data collection. The report will be data based and non-judgmental. The final report is expected by mid-March.

AMERIPEN endeavors to reinforce the intrinsic value of packaging to key decision makers and policy influencers. Packaging is part of the solution.

AMERIPEN will follow the data and facilitate the tasks necessary to drive increased recovery rates. The priorities are collection, education and state and local participation incentives.

AMERIPEN will continue to work with a sense of urgency. This vision is the best approach for the US and invites the state of Rhode Island to work with us to establish an optimized recovery process that is both effective and efficient.

Christine Riley, Director, Corporate Social Responsibility, Dunkin’ Brands, Inc. submitted written testimony outlining a number of steps taken over the last several years to be more mindful of the company’s impact on the environment, especially in the areas of packaging, building and product sourcing. Dunkin Donuts over the past several years has reviewed or tested nearly every type of single-use hot cup available on the market but none meet the company’s criteria which includes recyclable in curbside programs and more environmentally friendly than Styrofoam. Dunkin Donuts is taking a holistic approach to the issue that seeks to reduce waste while continuing to work toward a long term cup solution by:
• Collaborating on packaging issues with our suppliers, industry peers and external experts;
• Continually evaluating materials and technologies in search for an alternative to Styrofoam;
• Establishing a recycling team to develop in-store recycling strategies;
• By creating a hot and cold reusable cup program; and
• Committing to minimizing waste among all of our packaging materials.

In addition, we have been working for several years to reduce our energy use and help our franchisees save on their utility bills.

Finally, we recognize that sourcing our ingredients in a responsible way is an important part of environmental sustainability. Dunkin Donuts espresso-based beverages have been made with 100% Fair Trade Certified beans since they were introduced in 2004 which means that the coffee is grown following a strict set of standards that protects farmers, workers and the environment. Beginning in 2013, 5% of the egg volume used in breakfast sandwiches nationwide each year will come from cage-free hens. The written testimony is available online at [http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html](http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) [June, 2013].

Scott Cassel, CEO and Founder, Product Stewardship Institute, Inc. (PSI) presented in support of EPR. Mr. Cassel stated that PSI is a national nonprofit organization dedicated to reducing the health and environmental impacts of consumer products and was established to provide: a unified voice for state and local governments; fiscal relief for government on waste issues; objective data for decision-making; a forum for collaboration with industry; and nationally coordinated systems and harmonized regulations.

PSI has advanced product stewardship in Rhode Island:

• Paint Law (2012) – Mediated national agreement with industry
• Thermostats Law (2010) – Based on PSI model
• Electronics Law (2008) – Contains key elements negotiated on behalf of state governments
• Automobile Switches Law (2005) – Developing pilot project in IL to test financial incentive
• Framework EPR Bill (2011) – developed a report for RI DEM and held a stakeholder meeting

From and state and local government perspective, there are several challenges with current system:

• Inefficient – we’re not capturing all we can
• Fragmented infrastructure based on municipal boundaries
• Insufficient “away from home” collection
• Inconsistent – here today, different tomorrow
Recycling programs are stagnating because government is unable to make necessary investments. EPR creates an opportunity for increased recovery by ensuring that a consistent set of targeted materials are collected and recycled in each state. EPR also provides for greater control over collection and sorting infrastructure. Finally, under EPR the funding for paper and packaging recovery is not subject to the uncertainty of municipal budgets. According to As You Sow, the market value of discarded packaging totals approximately $11.4 billion dollars which represents a significant unrealized economic benefit.

The Product Stewardship Institute proposes that a legislative commitment to comprehensive solution that includes EPR, other regulatory provisions and voluntary efforts. The legislature could consider 3 options:

Option 1: Require brand owners to fund and manage packaging recycling program in public spaces (e.g., parks, stadiums, streets, etc.) that must meet material-specific goals and/or public convenience goals.

Option 2: Require brand owners to collect and recycle plastic bags, plastic bottles, and polystyrene that can eventually be expanded to other plastic packaging types (but with primary focus on contributors of marine debris).

Option 3: Implement statewide PAYT and/or other regulatory solutions.

In conclusion, at least 47 countries have passed laws requiring producers to bear some or all of the costs of the post-consumer management of packaging materials, including 31 European countries, Canada, Israel, Japan, Brazil and South Korea. The presentation and written testimony is available online at [http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html](http://webserver.rilin.state.ri.us/senatepaper/senatepaper.html) [June, 2013].