

CT Packaging EPR Bill: Outline

Covered Materials/Products (subject to the EPR program)

- **Packaging:** any container or material used for the containment, protection, handling, delivery, or presentation of goods that are intended for the consumer market, including through an internet transaction.
- **Paper Products:** paper that is printed with text or graphics, or intended to be printed with text or graphics, as a medium for communicating information (e.g., magazines, flyers, brochures).
- **Packaging-like products:** products intended for the consumer market, including through an internet transaction, that are not packaging and are ordinarily discarded after a single use or short-term use (e.g., foils and wraps, plastic bags, plastic cutlery, take-out food containers).

Covered Entities (where recycling service is provided through producer funding)

- Single & multi-family residences.
- Public spaces (e.g., parks and events).
- Transfer Stations.
- Other residential recycling collection locations.

Producer Definition (who is responsible for complying with law)

- **Tiered:** Brand owner, licensee of trademark, importer or distributor.
- Excludes small businesses and municipalities.

Governance (how the producers are organized)

- **Stewardship Organization (SO)**
 - Producers must comply individually or collectively through an SO.
- **Producer Responsibility Plan Advisory Council** (provides non-binding recommendations to CT DEEP and Stewardship Organization)
 - DEEP Commissioner will appoint 14 individuals representing municipal government(s), producers, waste industry experts, EJ & environmental groups, and manufacturers.

Stewardship Plan (how producers will implement the program)

- Identifies each producer and their brands and types of covered materials.
- Includes results of needs assessment – baseline evaluation of existing recycling system and analysis of improvements needed).
- Describes how program will be funded, including “eco-modulated fees” based on material weight, type, cost to the system, and environmental factors.
- Proposes statewide performance goals for recovery, reduction, reuse, recycling, and post-consumer recycled content by material.
- Addresses accessibility, collection convenience, and system for collecting, processing, and marketing of covered materials.
- Describes the education program.

CT Department of Energy and Environmental Protection

- **Roles:** Oversight, enforcement, and evaluation of the program.

EXTENDED PRODUCER RESPONSIBILITY (EPR) FOR PACKAGING

EPR is a producer-funded system to increase recycling of packaging and paper products, promote reuse, and ensure accountability for single-use products and packaging. It builds on existing recycling infrastructure while providing sustainable funding to cover the costs of collection and processing, expand end-markets, and shift producers to more reusable and sustainable packaging.

WHAT IS EPR FOR PPP?

Extended producer responsibility (EPR) for packaging and paper products (PPP) is a policy approach that shifts financial and management responsibility for the post-consumer management of products and packaging from local governments, taxpayers, and ratepayers to producers. These policies are common throughout much of the world, including Canada and Europe, where programs have been in place for over 35 years, and some countries have PPP recycling rates as high as 80%. It is a game-changer for the circular economy.

WHAT DOES IT COVER?

EPR for PPP laws typically cover the cost to collect and process designated packaging and paper products (covered materials) used by residents and, at times, businesses and institutions. Most programs also cover materials collected in public spaces. Program funding is used to enhance and expand the existing recycling system, educate residents and businesses, and establish new packaging reuse and composting systems.

WHO PAYS FOR IT?

Producers cover recycling costs, just as they would the cost of raw materials, fuel, labor, or other costs of doing business. Those funding the program are usually the brand owners, which can also be retailers, including those selling online. Producers do not charge a fee to residents or businesses for recycling services.

HOW IS IT FINANCED?

Producers are responsible for all the covered materials they place on the market, regardless of whether they are recyclable or compostable. Producers pay fees to a Producer Responsibility Organization (PRO), which is an entity they establish to manage their program responsibilities. Fees are typically assessed by material type, weight, and other criteria, such as the cost to manage a material; most programs are moving to eco-modulated fees that incentivize producers to take environmental factors into consideration, such as using recycled content or reducing greenhouse gas emissions. For example, under eco-modulated fees a PRO will charge producers more if they use difficult-to-recycle packaging materials and less if they use widely recyclable materials.

HOW WOULD EPR CHANGE CURRENT RECYCLING?

In the United States, most recycling programs are funded with taxpayer or ratepayer dollars; under EPR, producers pay for these programs, freeing up government funds for other critical needs. EPR can improve recycling by establishing a uniform set of accepted materials and consistent education across a state. Harmonizing recycling in these ways reduces contamination, which leads to more marketable materials and higher recycling rates.

WHAT IS THE ROLE OF LOCAL GOVERNMENT?

Local governments retain their authority and have the flexibility to choose how they participate. Most recycling programs are currently managed by municipal governments. Under most EPR systems, local agencies have the option to continue to run their program and get reasonably reimbursed for their program costs or have the producer run the program for them. Individual residents who contract with a collector (subscription service) can choose to keep their current arrangement or have the PRO take over the collection.

DOES EPR ADDRESS FLUCTUATING MARKETS?

EPR systems provide more stability to current systems and have more successfully weathered market volatility – especially in producer responsibility systems, such as British Columbia’s – where producers foster local end markets for most materials and achieve economies of scale.

HOW DOES IT IMPACT WASTE MANAGEMENT?

Garbage services are not directly impacted. If local governments provided garbage collection and other services (such as organics collection) before the EPR program began operating, they continue to do so and to charge ratepayers or taxpayers for those services. Contracts with private haulers for garbage services are also not impacted. Residents continue to have access to recycling collection services, but when producers provide these services, they do not charge residents a fee. Under EPR systems, haulers contract with local governments or producers to collect covered PPP materials. In addition, programs can expand recycling services to communities that did not previously have them, providing new opportunities for haulers and processors.

IS THERE OVERSIGHT?

Typically, EPR programs are financed and implemented by producers through one or more PRO(s) with strong government oversight and enforcement. Legislation requires a PRO to develop a plan detailing how it will meet the law’s requirements, including convenience standards, mandated recycling rates, reporting requirements, verifiable downstream markets, environmental criteria, and other factors that producers are legally responsible to meet. PROs are usually required to submit draft plans and reports to an advisory council for initial review before going to government for final review and approval.

EXTENDED PRODUCER RESPONSIBILITY (EPR) FOR PACKAGING - Consumer Costs

EPR is a producer-funded system to increase recycling of packaging and paper products, promote reuse, and ensure accountability for single-use products and packaging. It builds on existing recycling infrastructure while providing sustainable funding to cover the costs of collection and processing, expand end-markets, and shift producers to more reusable and sustainable packaging.

FACT: COSTS DO NOT INCREASE WITH EPR

There have been no noticeable consumer goods price increases in regions where packaging EPR programs are in place. One study conducted for the Oregon Department of Environmental Quality found little difference in the price of everyday grocery store items in Canada between provinces with and without packaging EPR laws.

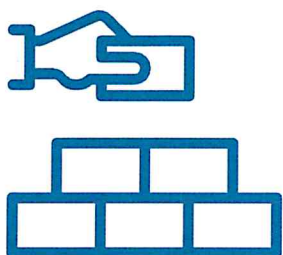
In Europe, where packaging EPR programs have been operating for the past 35 years, the Extended Producer Responsibility Alliance (EXPRA), a coalition of nonprofit producer organizations, confirmed that producers in Europe found no noticeable increases in costs to consumers from EPR programs.

In 2022, a Columbia University study showed that even if producers in the United States doubled their costs because of EPR compliance and passed along all costs to consumers, it would amount to less than \$4 per household per month.

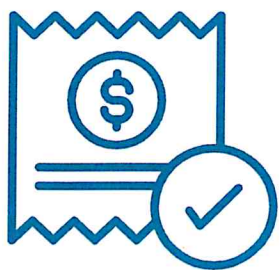
In a third study conducted by York University in Canada, researchers used a modeling approach, rather than actual data, to predict that consumer prices will rise due to EPR. They simply presumed that 100% of EPR program costs would be passed onto consumers, with no spreading of costs across regional or national customer bases.

Under the current recycling system, consumers pay three times – first for the packaging of the products they buy (included in the cost of goods), and a second time for the collection, recycling, or disposal of that packaging through their municipal taxes or private subscription costs. Consumers also pay a third time for the indirect costs associated with post-consumer packaging, such as increased health care costs resulting from higher rates of illness and disability caused by pollution, and unaccounted costs due to the greater incidence and intensity of natural disasters (e.g., wildfires, flooding) from climate change due, in part to the production and postconsumer management of packaging waste.

HOW DOES IT WORK?



Producers pay fees to the PRO per ton of covered material they put on the market. For large companies, this adds up quickly and will influence decisions on which materials to use as more sustainable materials incur lower fees.



Fees in existing EPR programs are based on the packaging material type, weight, and environmental impact. These costs are similar to other company expenses, such as labor, electricity, fuel, and marketing, but EPR fees are negligible and don't appear to impact consumer prices.

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