Executive Summary

Extended Producer Responsibility Policy Framework and Implementation Model:

*Residential Recycling of Packaging and Paper Products in Washington State*
The Responsible Recycling Task Force

The Responsible Recycling Task Force (RRTF) was formed by King County’s Solid Waste Advisory Committee (SWAC) and Metropolitan Solid Waste Management Advisory Committee (MSWMAC) in April of 2018 to respond to changes in international recycling markets and to develop a coordinated approach to improving recycling in the region. The task force consists of representatives from the King County Solid Waste Division, the City of Seattle, cities in King County, solid waste management companies, and other stakeholders. This report was prepared for the RRTF by the King County Solid Waste Division in collaboration with Seattle Public Utilities.

Contact and Information

For more information on the Responsible Recycling Task Force and the resulting recommendations, go to the Responsible Recycling Task Force website.

Authors

This report was authored by Cascadia Consulting Group, Kelleher Environmental, Love Environment, C+C, the King County Solid Waste Division and Seattle Public Utilities with support from Full Circle Environmental, Bell & Associates, and Foster Garvey PC.
Executive Summary

A New Chapter for Recycling in Washington State

Residential recycling programs across the United States are facing unprecedented challenges and the programs in King County are no exception. For years, recycling programs have relied on international export markets to process our materials. When the “China Sword” international restrictions on exports of recyclable materials went into force in January 2018, the markets for mixed paper and plastics evaporated. The lack of markets for these materials, increased contamination and the introduction of difficult-to-recycle packaging materials has challenged the viability of our recycling programs. It is time to write a new chapter for recycling in Washington State.

In other countries, Extended Producer Responsibility (EPR) policies are being adopted to create recycling “systems” that are more sustainable than local government-run programs. EPR systems are funded by the producers of the packaging and paper products (PPP) that comprise the bulk of our curbside recyclable materials. EPR has gained increasing support in the U.S. over the past decade as a viable, sustainable solution to residential recycling challenges.

EPR is a mandated policy that shifts the responsibility for end-of-life management of products and packaging upstream to producers – rather than the public sector – and creates incentives for producers to incorporate environmental considerations into the design of their products and packaging.

The EPR Policy Framework and Implementation Model

This study explores an EPR Policy Framework that would be required in state law to support the implementation of a statewide EPR system for PPP from residents. The study provides a conceptual model that illustrates how the EPR policy framework could be implemented across Washington State.

The implementation model would create a new role for the producers of PPP by mandating that they fund and coordinate the statewide recycling system for residents. This shifts the responsibility from local governments—who have no control over the materials that enter the marketplace and subsequently the waste stream—to those that design, manufacture, and profit from the products and their packaging. The producers would operate under a Producer

<table>
<thead>
<tr>
<th>EPR Policy Framework Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>A mandated EPR policy should consider these elements, at a minimum:</td>
</tr>
<tr>
<td>• Producers of PPP are required to fund and coordinate the recycling (i.e. collection, transportation, sorting, and marketing) of materials from the residential sector.</td>
</tr>
<tr>
<td>• Producers are authorized to form a “Producer Responsibility Organization” (PRO) to manage the responsibilities established in the policy.</td>
</tr>
<tr>
<td>• Stewardship plans are developed with mandatory public consultation.</td>
</tr>
<tr>
<td>• Eco-modulated fees are used to drive changes in packaging design.</td>
</tr>
<tr>
<td>• A statewide uniform list of materials must be collected/recycled.</td>
</tr>
<tr>
<td>• Residents across the state must have convenient, equitable access to recycling collection service.</td>
</tr>
<tr>
<td>• Producers must achieve material-specific recycling rate requirements by specific timelines.</td>
</tr>
<tr>
<td>• Producers must use post-consumer recycled materials in products/ packaging to stimulate demand for materials.</td>
</tr>
<tr>
<td>• Required documentation and verified end markets for materials.</td>
</tr>
<tr>
<td>• A legislated “regulatory authority” that has authority to monitor compliance and enforce legal requirements.</td>
</tr>
</tbody>
</table>
Responsibility Organization (PRO) that coordinates and oversees the recycling system.

Costs and Financing

Currently most residents pay for residential recycling through their garbage or recycling rates. Under this EPR system model, residents would no longer be charged for curbside recycling service. The producers would finance the recycling system by internalizing the costs into the product/packaging prices. The PRO would set and collect the fees, contract and pay for recycling collection and post-collection services.

Recycling Collection

Under the EPR model, all residents (single-family and multi-family) would receive convenient, consistent and equitable recycling services for a common list of materials. Residents that receive curbside garbage service would also receive curbside residential recycling service. Residents in rural areas that do not have curbside garbage service would gain access to a more extensive network of recycling drop-off locations.

Cities and counties would have several options for how they participate in the model EPR system. They could continue to provide collection service with a reimbursement of their costs by the PRO or they could authorize the PRO to provide the collection service. The EPR system only covers recycling services. Garbage and organics collection services would remain the responsibility of local governments and private collection service providers.

Post-Collection Processing and Markets

Under the EPR policy, producers would be responsible for achieving statewide residential recycling rate requirements for each specific material type (such as paper and cardboard, rigid plastic, film plastic, glass, aluminum, and steel). Producers could be fined for failing to achieve the material-specific recycling rate requirements in accordance with the timeframe established in the policy.

The PRO is incentivized to ensure that PPP materials are sorted into marketable commodities that have reliable end markets. The PRO would contract for sorting and marketing services separately from the collection contracts. They would pay to have the materials sorted and marketed, and receive any revenues that are realized from the sorted materials. This transfers the risk associated with commodity price fluctuations to the PRO/producers.

Under the existing system, local government-run recycling programs do not have a method for verifying the end markets for the recyclable materials. As part of the model EPR system, the PRO would be responsible for providing verifiable documentation and third-party assurance that materials collected are in fact being responsibly recycled and delivered to reprocessors or end users that meet standards for protection of human health and the environment.

Recycled Content

To stimulate demand for the recyclable materials that are collected by the system, producers would be required use recycled content materials in their products or packaging. Material specific requirements would be set in the EPR policy and could be met by producers individually or collectively. This would create a more circular economy by completing the recycling “loop”.

Executive Summary

Compliance and Enforcement

The EPR policy would establish a “regulatory authority” to enforce the EPR policy. The authority would be responsible for maintaining a registry of producers and verifying compliance with all requirements in the policy with the goal of providing transparency about the fate of packaging and paper sold into Washington State’s residential marketplace.

Benefits of an EPR System

- **EPR can revitalize Washington’s stalled recycling rates.** Despite repeated commitments by the state and local governments to increase recycling, recycling rates in Washington State have stalled. In contrast, residential recycling of PPP in British Columbia, Canada under an EPR system has seen steady improvement since EPR implementation in 2014, with collection rates for PPP increasing from between 50-57% prior to EPR to 78.1% in 2018, and aiming even higher moving forward.

- **EPR provides the resources and coordination needed to modernize Washington’s recycling programs.** Asian markets for Washington State recyclables have effectively closed, competition for reliable domestic end markets is intense, contamination rates are up, and difficult-to-recycle materials are added to the system regularly. These external factors have increased recycling costs for local governments and their rate payers, causing programs to reduce the materials they accept or dismantle programs entirely. In contrast, the Recycle BC EPR system has increased service to rural and underserved communities and offers service to 98% of its residents and at the same time has expanded the list of materials that can be recycled.

- **EPR stimulates infrastructure investments and innovation.** Recycling needs investments and rapid deployment of technologies and equipment to meet the stringent quality standards demanded by the remaining end markets for recyclable materials. In addition, Washington’s local reprocessing infrastructure for mixed paper and plastics is insufficient to make up for the lack of Asian markets. Efforts in Canada and parts of Europe—catalyzed and required by EPR policies—have resulted in major investments in new technologies and new end markets that have led to increased recycling rates, reduced greenhouse gas emissions, and local “green” jobs.

- **EPR engages consumer product companies that have set voluntary circular economy goals.** Many major brand owners have publicly announced the adoption of circular economy goals, including goals to increase recycling and the use of recycled content in packaging. An EPR policy provides a clear path forward to meeting these goals.

- **EPR is a proven, successful recycling policy approach.** EPR for PPP already exists or is under development in most European countries and Canadian provinces and is being rapidly adopted by nations around the globe. Many U.S. states, including California, Indiana, Massachusetts, Maine, New York, Oregon, Vermont, and Washington are pursuing legislation or researching EPR for PPP policies, and Federal legislation was introduced in February 2020.