How bottle bill, EPR programs work together

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Megan Smalley | May 01, 2023

Over the years, 10 states and Guam have passed deposit-refund systems, also known as bottle bills, to ensure beverage container distributors take responsibility for the recovery of those containers. Additionally, four states have passed extended producer responsibility (EPR) legislation to ensure producers properly manage packaging materials throughout their life cycle.

Some groups are proposing a national bottle bill system through bills such as the Break Free from Plastic Pollution Act or the Climate Leadership and Environmental Action for our Nation's Future Act. Three states have passed both bottle bill and EPR legislation, including California, Maine and Oregon.

With more states considering EPR legislation and about a dozen states considering bottle bill legislation and amendments, the Brattleboro, Vermont-based <u>Northeast Recycling Council</u> (NERC) and the Boston-based <u>Northeast Waste Management Officials' Association</u> (NEWMOA) hosted a webinar April 13 to discuss if and how EPR and bottle bill programs can coexist and effectively work together.

During the webinar, Peter Spendelow, who oversees the materials management program at the Oregon Department of Environmental Quality, said Oregon's bottle bill was established in 1971 and has acted like a producer responsibility bill since its inception.

"It put people who distribute beverages and sell beverages in responsibility to take those containers back," he said.

Oregon more recently passed the <u>Plastic Pollution and Recycling Modernization Act</u> on Aug. 6, 2021, which established the state's EPR system.

"What triggered [the Plastic Pollution and Recycling Modernization Act] was China's ban of recyclables; there were problems with our recycling system," Spendelow said. "What we wanted to do was improve the quality of our recycled material and create financial incentives to get better packaging. We wanted a uniform statewide program. Producers had no role in our system; it was all paid for by citizens and programs set up by local government and recycling collection providers, while producers get to walk away. We think [producers] should play a role in the life cycle of materials."

Spendelow added that the requirements of Oregon's EPR law will go into effect July 1, 2025. At that point, he said, all producers of printed paper and foodservice packaging will be required to join a producer responsibility organization (PRO) in the state, unless they are

exempt. He added that the new EPR law isn't replacing the bottle bill, as it exempts packaging producers involved in the state's bottle bill program from also having to join a PRO.

Although Oregon is still working out what its EPR program will look like, Spendelow said he's hopeful having both a bottle bill program and EPR will help to boost recycling rates and improve the quality of recycled materials in the state.

"Recovery of containers under the bottle bill is much higher than it is with curbside recycling," he said. "Significant [polyethylene terephthalate] and aluminum can loss occurs in local commingled recycling sorting facilities, but bottle bill [materials] are clean and high quality."

Heidi Sanborn, executive director of the Sacramento, California-based <u>National Stewardship Action Council</u>, said deposit-refund systems and EPR programs are coexisting well in several cases. She said California's <u>Plastic Pollution Prevention and Packaging Producer Responsibility Act</u>, which passed June 30, 2022, ensures producers pay for recycling in the state while exempting the state's bottle bill program, similar to how that program is exempted in Oregon.

"That's how these bills coexist—it requires producers to pay for recycling and to be responsible for source reduction, and it did exempt the bottle bill, medical product packaging and infant formula containers," she said.

Sanborn noted California's bottle deposit system has challenges. She said hundreds of the state's bottle deposit collection centers have closed in the last three years and that the program only had a 62 percent return rate in 2020. Despite those challenges, she said merging California's new EPR program with its deposit-refund system would be more challenging than continuing to operate the programs separately.

She added that the National Stewardship Action Council is advocating for a national bottle bill program to address the challenges that California's program is experiencing.

Allen Langdon, CEO of Ontario-based Circular Materials, which serves as a nonprofit PRO that was established to support producers to meet EPR regulations in Canada, said Ontario has a container deposit program and that the province is preparing to launch EPR for packaging and paper materials July 1 through the Ontario Blue Box Regulation. Under the regulation, producers that sell packaging and paper, including beverage containers, are required to meet management targets based on the amount of material supplied to consumers.

<u>Circular Materials</u> has partnered with the Canadian Beverage Container Recycling Association (CBCRA) to develop a recycling program for beverage containers in Ontario. The groups collaborate on supply chain design and promotion and education initiatives. He said

they also are working to meet regulatory beverage container recycling targets of 75 percent recovery by 2026 and 80 percent recovery by 2030.

Through the Ontario system, beverage container producers will pay container recycling fees (CRFs) set by CBCRA to cover both a blue collection box and away-from-home collection and management costs. Producers will report packaging and paper supply data annually and beverage supply data monthly into the Circular Materials national reporting portal. Langdon said Circular Materials then deducts its portion of CRF revenue to cover its beverage container management costs and remit the remainder to the CBCRA.

While Ontario has yet to see how its EPR program will work, Langdon added that British Columbia has been effectively operating both a container deposit program and a provincial Recycle BC packaging and paper EPR program. He said collaboration with bottle programs has encouraged synergies and efficiencies in reducing administrative burden on producers.

Regarding discussions around the development of a national bottle bill in the U.S., Sanborn added that a national bill isn't likely to negate programs that already exist in 10 states and has seen some draft legislation for a national bottle bill that supports existing bottle bill programs. "Producers are very interested in harmonizing key parts of programs," she said. "What we envision is a PRO by state that would feed into the federal level, and the national level would be responsible for setting rates and targets, and they could work with the states to harmonize the program."