

# Getting Manufacturers to Help Pay for Recycling

**B** bloomberg.com/news/articles/2021-09-07/who-pays-to-recycle-our-waste-u-s-states-have-a-new-answer

Municipalities are tired of footing the bill for recycling excessive packaging materials, from cardboard to foils to plastic. New extended producer responsibility legislation aims to force companies to pay up.

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All that extra wrapping around items consumers pick up at the store or have delivered to their doorstep? A growing number of states want manufacturers, not municipalities, to help pay for recycling it.

Maine is leading the way. It made history in July when it became the first U.S. state to force companies to help cover costs to recycle the packing that makes up about a third of the state's municipal solid waste.

Under the new law, brands producing the products encased in foils, plastics and more — the soap companies instead of the bottle manufacturers, for example — will pay into a stewardship fund based on the weight of packaging, how easy the material is to recycle and how clearly the disposal method is explained on labels. The legislation could be in full effect as early as 2024, sending money to participating local governments to offset the approximately \$17.5 million the state's Department of Environmental Protection estimates municipalities spend annually to dispose or recycle 194,000 tons of the material.

On Aug. 6, Oregon joined Maine when Governor Kate Brown signed into law a similar bill for what's called extended producer responsibility. Several other states, including New York and Maryland, are considering their own legislation, signaling momentum among legislators to help towns, cities and counties offset the growing expense of running or establishing recycling programs.

The business of repurposing packaging and other waste has been in crisis since 2018. That year, China stopped taking in most recyclables, forcing municipalities to find alternative markets for their old newspapers and soda cans. Cities were still coping with this conundrum when the pandemic struck, bringing a surge in the amount of packaging waste generated at homes and suspensions of some recycling programs

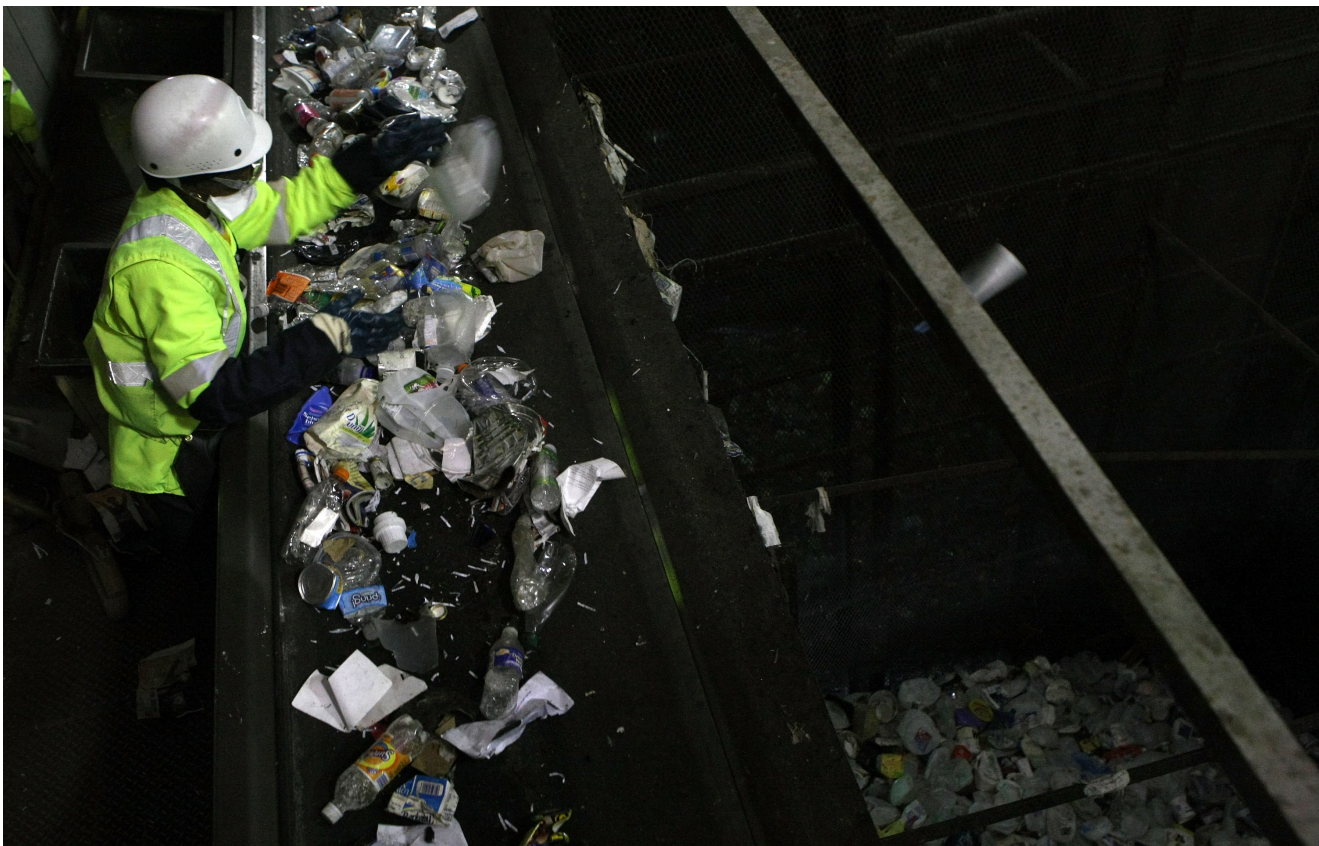
Environmental advocates hope that extended producer responsibility laws can be recycling's second chance.

“Municipalities have the most to gain from this policy, the most direct impact, because they’re the ones that are currently dealing with this mess,” says Sarah Nichols, program director for Sustainable Maine at the state’s Natural Resources Council. The organization helped spearhead the bill’s adoption with support from towns and cities around the state. Even though smaller, local governments might have few employees dedicated to sustainability, municipalities are still “a natural ally in these waste policies,” she said.

In the U.S., states typically set legal frameworks for recycling, with local governments funding and handling waste management. The arrangement can put cities in a bind, since they do the work, but can’t control what’s allowed to be thrown away — or how.

Municipal frustrations with their recycling roles began to mount in the early 2000s, and cities began pushing for some of the first extended producer responsibility laws. After California banned landfilling hazardous waste, cities lobbied the state Integrated Waste Management Board to require manufacturers to help fund or physically manage disposal.

The original extended producer responsibility laws pursued niche and difficult-to-dispose items, including paint and mattresses. In contrast to the approach of new packaging legislation, these early programs typically had producers physically manage waste, while consumers funded the collection and treatment with added fees, such as an eco-fee for paint paid at the time of purchase.



A worker sorts through material at a recycling plant.  
Photographer: Justin Sullivan/Getty Images North America

The programs worked, at varying rates, in changing behavior. In the first three and a half years San Luis Obispo County required hazardous waste stewardship programs, the “collection/diversion rate” went from near zero to 73% for sharp medical instruments, 36% for fluorescent lamps and 21% for household batteries, according to a study in the *Journal of Environmental Management*. And they helped offset costs. If an extended producer responsibility program for paint hadn’t been in place in 2021, Santa Clara County, California, would have spent at least \$1.66 million collecting and disposing of paint, according to the county Recycling and Waste Reduction Division.

Maine and Oregon were among states that had targeted extended producer responsibility programs, and Maine has been an overall leader on the recycling front. The consulting firm Eunomia in April ranked it highest among all U.S. states for its 72% rate of recycling the most common containers and packaging, excluding cardboard and boxboard.

As China tightened its recyclable rules, Lane County Oregon went from being paid \$10 per ton of recyclables to paying up to \$160 per ton for the same business to take its materials when the embargo kicked in, according to Sarah Grimm, waste reduction specialist with the county's public works department. “That kind of change is untenable for most local governments.”

Some cities stopped recycling programs altogether. Others looked for alternatives.

Grimm was part of a committee organized by the Oregon Department of Environmental Quality that spent two years meeting, touring waste plants and interviewing recycling facility employees to figure out how to continue green garbage efforts. Grimm says it was municipal representatives who insisted on putting some of the cost on companies. “Local governments are looking out for our citizens,” she said. “We want to make sure they have the maximum opportunity to recycle.”

The new Oregon bill requires brands to join producer responsibility organizations that will submit plans to the state Department of Environmental Quality detailing how the coalition will support statewide recycling. Though the companies won’t reimburse localities for all management costs, they will fund changes like recycling facility upgrades.

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The Oregon and Maine laws could be a milestone for governments to bring back or maintain recycling programs. “Our local governments are at the back end of the system with this giant catcher's mitt, trying to figure out what to do with every single thing a designer anywhere in

the world could cook up and sell in the United States,” said Heidi Sanborn, the executive director of the National Stewardship Action Council, a nonprofit that lobbies across the U.S. for manufacturer responsibility for recycling costs.

The U.S. is playing catch up on this front. More than 50 countries already have legislation that pushes recycling costs to producers, according to data provided by the Natural Resources Council of Maine. In Belgium, local governments recover 80% of the price tag to handle trash from packaging, while France and Italy recapture 70%.

The laws can boost recycling rates, too. South Korea saw the volume of recycled products and packaging materials rise 62% within the first decade of extended producer responsibility, according to a study conducted for the Organisation for Economic Co-operation and Development.

To be sure, product makers are not always in agreement about how best to improve recycling and funding for it. The American Institute for Packaging and the Environment — whose members include Kellogg Co., Proctor & Gamble Co. and the Dow Chemical Co.— said the Maine and Oregon bills give industry too little say. It backed a different Maine bill that gave companies a larger role in designing stewardship protocol and plans to get involved in the rule-making process that will shape details of how the program operates.

Companies will likely speak up on future extended producer responsibility bills too. California is among the states considering legislation for packaging specifically — a choice the Los Angeles Department of Public Works supports. Manufacturers opposed a bill that includes provisions for producer responsibility and, while it was tabled in the 2021 legislative session, it could come up for a vote again next year.

Sanborn says interest in sharing costs will continue to grow as more local governments and residents tire of managing excessive packaging they didn’t design. “This is too expensive. The rate payers have hit their limit.”

(Removes inaccurate reference to soda companies in third paragraph.)