



# EXTENDED PRODUCER RESPONSIBILITY FOR PACKAGING & PAPER PRODUCTS

## *A Step Toward the Circular Economy*

### What is EPR for PPP?

**Extended producer responsibility (EPR)** is a policy tool that shifts responsibility for the post-consumer management of products and packaging from local governments to producers. This includes financial responsibility and sometimes day-to-day management of covered material. **EPR is a game-changer for reducing and recycling PPP, and for creating a circular economy.** EPR for PPP is common throughout much of the world, including Canada and Europe, where programs have been in place for decades and many countries have PPP recycling rates above 70% or even 80%.

### What Does EPR for PPP Cover?

EPR for PPP programs cover at least all residential (consumer-facing) packaging and printed paper, **including non-recyclable materials** and PPP from online retailers. Some programs also cover residential material collected in public spaces and, less often, commercial and industrial PPP.

### Who Pays for EPR for PPP Systems?

Under all EPR for PPP systems, **producers internalize recycling costs**, just like the cost of raw materials, electricity, or other costs of doing business. Producers do not charge a direct fee for recycling services.

### How are EPR for PPP Systems Financed?

**Producers pay fees on all PPP materials** they place on the market. Producers typically submit these fees to a Producer Responsibility Organization (PRO), which is an entity they establish to carry out their responsibilities. Fees are typically assessed by material type, weight, and other criteria, such as the cost to manage a material.

**EPR for PPP 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, the PRO may charge producers more if they use difficult-to-recycle packaging materials for their products, and charge less if they use widely recyclable materials.



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## What are the Benefits of EPR over Current U.S. Recycling Programs?

**Under EPR for PPP, recycling programs are funded by producers**, whereas current U.S. programs are funded with taxpayer or ratepayer dollars. EPR can harmonize recycling statewide by establishing a uniform set of accepted materials and consistent education across a state. Harmonized recycling reduces contamination. Collected recyclables then have a higher value and are more marketable. In the end, more material gets recycled.

## Does EPR Address Fluctuating Recyclables Markets?

**EPR systems are more stable than current recycling systems in the U.S. and have more successfully weathered market volatility** – especially in full producer responsibility systems, such as British Columbia's (B.C.). The B.C. system has fared better than other Canadian provincial systems since the China Sword policies took effect because producers have fostered local end markets for most materials and have achieved economies of scale to keep the system efficient.

## What is the Role of Local Government?

The most successful programs to date place full responsibility on the producers to achieve results while offering local governments the option to **continue collecting recyclable materials** and educating residents. **Local governments should always have flexibility** to choose how they participate in EPR for PPP programs.

## How Does EPR Impact Trash and Recycling Services for Residents?

**Trash services are not directly impacted.** If local governments provided garbage collection and other services (such as organics collection) before EPR, they continue to do so and to charge ratepayers or taxpayers for those services. Contracts with private haulers for trash services are also not impacted. **Residents continue to have access to recycling collection services**, but under full EPR for PPP systems, producers provide these services at no direct charge.

## How Does EPR Impact Recycling Haulers and Processors?

**Under EPR, haulers provide services under contract** to producers or local governments (depending on the EPR system) for the collection of covered PPP materials. In addition, EPR for PPP can expand recycling services to communities that did not previously have them. Thus, under EPR for PPP, **there are often more opportunities for both haulers and processors.**

## Who Oversees EPR for PPP Recycling Programs?

EPR programs are financed and typically implemented by producers (through one or more PROs) **with strong government oversight and enforcement.** Legislation enabling PR for PPP programs requires a PRO (on behalf of the producers) to submit a plan to government for review and approval. A plan can include convenience standards, reporting requirements, mandated recycling rates, verifiable downstream markets, environmental criteria, and other factors for which **producers are legally responsible to meet.**



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## LEARN MORE

This fact sheet is based on the report *Extended Producer Responsibility for Packaging and Paper Products: Policies, Practices, and Performance.*

For more information, visit <https://bit.ly/2QIu5p3>

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