



**Circular
Action
Alliance**

FPI Spring Conference – EPR Implementation Update

May 3, 2024

The views expressed in this presentation are those of the speakers and do not purport to reflect the views of any individual members of the Board of Directors or any member of Circular Action Alliance. Statements contained in or conveyed by this presentation are for informational purposes only and subject to change without prior notice.

Legal Disclaimer

The information provided in this presentation does not, and is not intended to, constitute legal advice.

Circular Action Alliance is not an attorney nor law firm and does not provide legal advice or recommendations. Information in this presentation is not a substitute for the advice of an attorney.

No reader should act or refrain from acting on the basis of information in this presentation without first seeking legal advice from your attorney. All liability with respect to actions taken or not taken based on the contents of this presentation are hereby expressly disclaimed.

Agenda

1. EPR & CAA Overview
2. State Updates
3. Producer Obligations & Preparedness

What is EPR? What is a PRO?

- Extended Producer Responsibility (EPR) is a policy approach that **shifts financial responsibility** for the recycling/end-of-life management of a product from local governments and taxpayers to the producer.
- EPR laws for paper and packaging **require producers to either partially or fully fund** the collection, sortation and processing of the paper, packaging and packaging-like items that they supply into these states.
- Since producers are made responsible for the costs to manage their product/packaging at end-of-life, EPR fees typically **incentivize design choices** that improve recyclability, minimize waste and improve environmental outcomes.
- A **Producer Responsibility Organization (PRO)** is a producer-led, nonprofit organization that provides producers with compliance services to help them meet their obligations under EPR laws.
- Generally, a PRO is **responsible for developing a Program Plan** for managing covered products. That plan is reviewed by a state-appointed advisory board and approved by the state regulatory agency. The Program Plan outlines program operation and the collection and management of producer fees.

The U.S. PRO – Circular Action Alliance

- Circular Action Alliance (CAA) is a 501(c)(3) nonprofit PRO dedicated to implementing effective EPR laws for paper and packaging in the U.S.
- CAA was founded by 20 companies from the food, beverage, consumer goods, and retail industries.
- CAA has been approved to be the single PRO in California, Colorado and Maryland. CAA is the only PRO that has submitted a program plan in Oregon.



CAA's Mission

- The organization's mission is to provide producers with consistent EPR services across multiple states while developing and implementing EPR programs that:
 - Meet state-specific regulatory requirements;
 - Leverage existing recycling systems and infrastructure; and
 - Advance the circularity of covered materials through collaboration with local governments, service providers, and recycling system stakeholders.

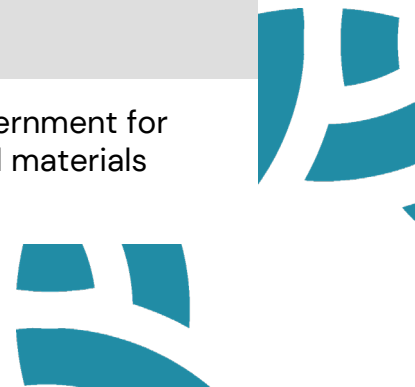


State Updates



EPR Across U.S. States*

	Covered Materials	Sectors	General System Funding (not inclusive)
CALIFORNIA	<ul style="list-style-type: none"> • Single-use packaging • Plastic single-use foodservice ware 	<ul style="list-style-type: none"> • Residential • Commercial (both B2C and B2B) 	<ul style="list-style-type: none"> • End-of-life management of covered materials • Education and investments • \$500M Plastic Pollution Mitigation Fund
OREGON	<ul style="list-style-type: none"> • Packaging • Printing and writing paper • Foodservice ware 	<ul style="list-style-type: none"> • Residential • Commercial (both B2C and B2B) 	<ul style="list-style-type: none"> • Processing fee paid to Material Recovery Facilities • Contamination fee paid to Material Recovery Facilities • Funding/direct management of certain materials through depots • Education and investments
COLORADO	<ul style="list-style-type: none"> • Packaging • Paper products • Foodservice ware 	<ul style="list-style-type: none"> • Residential • Some commercial (primarily B2C) 	<ul style="list-style-type: none"> • End-of-life management of covered materials • Education and investments • End market development
MAINE	<ul style="list-style-type: none"> • Packaging • Some foodservice ware 	<ul style="list-style-type: none"> • Residential • Some commercial (primarily B2C) 	<ul style="list-style-type: none"> • Reimbursement to municipal government for recycling and disposal of covered materials • Education and investments



State Updates



CO

CAA was selected as the **single PRO** for Colorado on May 1, 2023. CAA submitted a finalized needs assessment to CDPHE ahead of schedule on January 25, 2024 and is now developing the program plan, due February 1, 2025.



CA

CAA was selected as the **single PRO** for California on January 8, 2024. CAA will provide comments on CalRecycle's draft rules to CalRecycle during the SB 54 formal rulemaking period in 2024 and has been appointed as a non-voting member of the SB 54 Advisory Board.



OR

CAA was the single PRO to submit a program plan on **April 1, 2024**. CAA will now work with Oregon DEQ to refine and develop the program through the fall of 2024.



ME

CAA has been engaged in Maine's **stakeholder workshops** and provided comments to Maine DEP. CAA will continue to provide comments to DEP throughout their formal rulemaking process. Maine will not select a PRO until 2026.



MD

CAA was selected to represent producer interests and serve as the **single PRO** on the State's Producer Responsibility Advisory Council. It will present recommendations to the Governor and legislature for establishing and implementing an EPR program for packaging materials (i.e. MD has yet to pass a law that established an EPR program)

Producer Obligations and Preparedness



Producer Definitions

- CAA needs crystal clarity on the definition of obligated producer to ensure:
 - Obligated producers are clearly identified and register with CAA.
 - Only 1 obligated producer reports for each item of covered material.
 - The full amount of covered material being supplied into the state is reported.

Colorado

- Initial producer definition through HB22-1355.
- Further clarification expected through discussion with CDPHE and through 2024 rulemaking process (rulemaking proposed to end Q2 of 2024).

California

- Initial producer definition in SB 54 and further refined through CalRecycle discussion documents.
- Further clarification expected through imminent rule package (formal rulemaking ends January 2025).

Oregon

- Initial producer definition through SB 582.
- Clarification through discussions with Oregon DEQ and Phase II Rulemaking (Phase II rulemaking ends fall 2024).
- In Oregon, the entity that first sells food serviceware into the state is the obligated producer (likely to be the manufacturer or distributor vs. brand owner)

Producer Obligations

Producers will be required to:



Join CAA and begin collecting/organizing their covered material data.



Report covered material data to CAA.



Pay fees/dues to CAA based on the type and weight of covered material supplied into each state.



Potential redesign of covered materials/delivery models.



[CA and ME only] – source reduce plastic (i.e., elimination, reuse/refill, increased recycled content, etc.)



[CA only] – ensure all covered materials are 100% recyclable or compostable.



Producer Reporting and Fee Timelines Across States (PRELIMINARY)

	Producers Register	Producers Report	Producer Fees Released	First Fee Invoice Issued	Program Starts
OR	In Statute: July 2025 CAA Deadline: July 2024	CAA Deadline: March 2025	CAA Deadline: July 2025	CAA Deadline: July 2025	In Statute: July 2025
CO	In Statute: July 2025 CAA Deadline: July 2024 (proposed rule)	CAA Deadline: August 2025	CAA Deadline: Oct. 2025	In Statute: Jan. 2026	In Statute: Jan. 2026 (earliest)
CA	In Statute: January 2024 CAA Deadline: July 2024	CAA Deadline: August 2025	CAA Deadline: April 2026	CAA Deadline: Jan. 2027	In Statute: Jan. 2027

●	Deadline in Statute
●	CAA Deadline



Producer Services & Reporting



- CAA is developing guidance materials to provide reporting instructions to producers.
- Once reporting/covered material category lists are finalized (expected Q2 2024), CAA will be able to provide detailed guidance materials to producers.
- The organization's IT team is developing the producer reporting portal.
- CAA is projecting that the producer reporting portal will be ready to receive producers' data in Q1 2025.



Next Compliance Step – Register with CAA



CAA's producer registration deadline is **July 1, 2024.**

Early producer registration will help:



- Reduce free riders in the system (i.e., non-compliant obligated producers);
- Provide CAA with more precise producer data to inform accurate and fair fee schedules.



Registration consists of filling out CAA's registration form, available through the link, QR code and our website. To ease producer compliance, CAA is working to register all producers in Colorado, California, and Oregon by July 1, 2024.

Scan the QR code or click the link to complete CAA's **obligated producer registration form.** This is the first step in the producer registration process.



Stay Engaged



- **Producer Resource Center**
 - Producer resources page with FAQs, Producer Working Group information and other updates

- **Monthly Newsletter**
 - The latest updates for each state and new resources



- **Producer Working Group**
 - **Next PWG: May 13, 2024**
 - Open only to **registered** producers (as of June 2024)
 - Topic – CAA's Priority Rule Comments in Colorado



Scan the QR code or click the link to complete CAA's **obligated producer registration form.** This is the first step in the producer registration process



Thank You



Info@CircularAction.org



CircularActionAlliance.org



Circular Action Alliance



@CircActAlliance