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February 1, 2022

Memorandum in Opposition
Part RR – Extended Producer Responsibility (EPR) Act
FY 2023 New York State Executive Budget
Transportation, Economic Development and Environmental Conservation

International Paper (IP) is a leading global supplier of renewable fiber-based products. We produce corrugated packaging products that protect and promote goods, and enable worldwide commerce, and pulp for diapers, tissue and other personal care products that promote health and wellness. IP has more than 450 team members at our six New York facilities.

IP is very concerned with the scope of Part RR, which would require producers to create or participate in a product stewardship organization in order to sell or distribute products for use in New York. The proposal is a solution looking for a problem when it comes to paper and paper-based packaging. We recommend that the legislature discuss paper and packaging extended producer responsibility (EPR) in separate legislation to allow all those impacted by the issue to have meaningful dialog with all interested parties. Paper and packaging EPR has the potential to impact all parts of the state economy – from municipalities to paper and packaging manufacturers to consumers.

The pulp and paper industry has invested billions of dollars to create a robust, market-based system for the recovery and recycling of our products without government intervention and fees. This emphasis on recycling is integral to IP's goal of advancing circular solutions throughout our value chain, and creating innovative products that are 100 percent reusable, recyclable or compostable. We collect, consume and market more than 7 million tons of all paper recovered annually in the United States, making us one of North America's largest recyclers of recovered office paper and corrugated boxes.

Paper and paper-based packaging recovery and recycling is a great sustainability success story. According to the American Forest & Paper Association (AF&PA), the paper recycling rate has been consistently high, meeting or exceeding 63 percent since 2009. In 2020, 65.7 percent of paper consumed in the United States was recovered for recycling. The recycling rate for old corrugated containers (OCC) in 2020 was nearly 89 percent, and the three-year average OCC recycling rate is 92.3 percent.

By placing packaging taxes on the industry's products, the nationwide, market-driven system that IP and other industry members have developed over many decades to recover and reuse our products is ignored. The government should not force the paper and paper-based packaging to pay for other commodities that have failed to make their own recovery investments. EPR policies are typically used for hazardous, hard-to-handle materials with low recycling rates, such as batteries, paint, electronics, etc. For a highly recycled material like paper and paper-based packaging, with widely accessible collection programs and robust and resilient end markets,

EPR could disrupt efficient and successful paper recycling streams in order to improve less effective ones. As recently announced by AF&PA's Access to Recycling Study, 88.9 percent of New York State residents have access to residential curbside recycling programs.

IP supports:

- A statewide comprehensive needs-based assessment of the existing systems in New York. Without a baseline establishing pre-existing collection methods, identifying current processing infrastructure, waste management practices, and costs, it is not clear how the impacts of the program will be calculated nor how priorities and opportunities will be identified in an equitable way. Further, identifying successful parts of existing programs will allow the state to recreate proven solutions with lowered risk for all parties.
- Community investments to access community curbside and/or drop-off paper recycling programs.
- Investments in programs, technologies and public education that bring more clean residential and commercial material into the recycling system.
- Continued investments in the U.S. recycling infrastructure that result in additional clean material flowing back into the manufacturing stream.

On behalf of the IP employees in New York State, we ask you to not include Part RR in the final FY 2023 state budget and not penalize paper and paper-based packaging. Future legislation should be based on policies that not only are environmentally beneficial, but also provide certainty in conducting business within the state. We look forward to continued discussions on the paper and packaging EPR issue. As always, we stand ready to work with you and offer our expertise as you continue the discussions on this important issue. If you have questions, please contact Gretchen Spear at 612-849-5224 or gretchen.spear@ipaper.com.