



Testimony of Consumer Brands Association
Joint Legislative Public Hearing on FY 2023 Executive Budget Proposal
Topic Environmental Conservation: Part RR Extended Producer Responsibility
Tuesday, February 1, 2022

Before:

Assemblywoman Helene Weinstein, Chair, Assembly Ways and Means Committee

Senator Liz Krueger, Chair, Senate Finance Committee

Thank you for the opportunity to comment on the FY 2023 New York State Executive Budget, Transportation, Economic Development and Environmental Conservation, Article VII, legislation. Our comments today involve Part RR, “Extended Producer Responsibility” (EPR) for packaging and paper products. The Consumer Brands Association supports EPR and wishes to engage with the executive and the legislature to address our recycling needs and offer the knowledge, experience, and perspective of our industry in this effort. It is our goal to assist in the enactment into law of a policy and complementary funding mechanism that brings maximum benefit to the consumers and taxpayers of the State of New York as well as a sound blueprint for recycling success to industry and the state itself.

The Consumer Brands Association represents the world’s leading consumer packaged goods (CPG) companies. The CPG industry plays a unique role as the single largest U.S. manufacturing employment sector, delivering products vital to the wellbeing of people’s lives every day. Consumer Brands’ mission is to empower the industry to grow and thrive. In the State of New York, the CPG industry contributes \$113.3 billion to GDP, \$64.8 billion in labor income and supports 984,000.¹

We applaud the bold steps proposed in this legislation to create new strategies to improve the reduction, reuse, recovery, and recyclability of packaging. The Consumer Brands Association stands ready to partner with you. The CPG industry has made sustainability, particularly *packaging sustainability*, a top priority. With unprecedented commitments to improving the design of packaging — from source reduction to fully recyclable or compostable design, to using recycled content — the CPG industry is leading the way in this area.

As part of shared responsibility in improving end-of-product-life systems, the Consumer Brands Association can support well designed extended producer responsibility (EPR)

¹ [Consumer Brands Association Economic Impact Report, New York](#)



programs that are intended to improve municipal recycling and other important components of the post-consumer materials management mechanisms. Although there are EPR programs in other countries, and even product-specific stewardship programs in New York and other states, the enactment of programs similar to that envisioned in the current draft of this legislation anywhere in the United States will be enormously consequential. That is particularly true in a state economy as complex as New York's and all the more important as this legislation should be thought of as a template for the nation.

Consumer Brands believes the following foundational elements should be included in new EPR programs:

- Allow for and empower an industry funded and run producer responsibility organization (PRO) to assess fees on packaging and determine where/how those funds are spent.
- Definitions of recyclability should not be set by law but should be determined by the PRO and approved by the appropriate state regulatory agency.
- Funds must be dedicated for recycling improvements and not funneled to state government general funds.
- Policies must be based on accurate data, including regular state needs assessments, with clear financial and performance targets.
- Recycling programs must be standardized across a state or at least across regions of the state.
- Funding sources cannot be isolated to CPG manufacturers.

EPR programs should be implemented using the best available data gathered through a vigorous needs assessment process to properly identify how the state's recycling systems can be improved. Working in parallel, the state must work to standardize recycling policies and programs across the State of New York. Moreover, funds collected must be dedicated for infrastructure improvements that are intended to substantially improve materials markets and achieve goals for increased recycled content in packaging.

Consumer Brands believes an effective EPR program should be supported through shared responsibility. The long-term credibility and durability of the program can only be sustained through support from a clearly stated group of stakeholders across the packaging value chain. These stakeholders will contribute to an improved recycling



infrastructure and should achieve increased recycling rates. Government, materials recovery facilities, industry and other stakeholders in the value chain should be identified with clear accountability and goals for helping to fix their portion of the recycling system.

Consumer Brands strongly discourages legislatures from setting the definition of recyclability into law. Rather, as myriad scenarios can alter the definition of “recyclability,” we believe that the development of terms and definitions should be administered by the PRO in conjunction with the oversight agency. This kind of model could improve harmonization of recycling programs across the state to help achieve economies of scale and reduce consumer confusion. In fact, a PRO based on the application of industry’s knowledge and expertise in both materials management and customer communication should be well positioned to employ consumer education best practices to encourage recycling participation and reduced contamination rates.

Consumer Brands understands that recycling is not a silver bullet solution but is a foundational element to managing our country’s waste and packaging crisis. Unfortunately, the U.S. recycling system is not working as it should and this friction can only slow innovation, especially in the industry-embraced effort to increase post-consumer recycled content in packaging. Additionally, too much valuable material is going to landfill or leaking into the environment. A patchwork of thousands of municipal systems is preventing economies of scale and confusing consumers.

The industry is taking a wide range of steps to innovate and redesign packaging to reduce environmental impact. We support investment in the development and enhancement of recycling systems — through extended producer responsibility (EPR) — to improve the capabilities that will build a more circular economy. Our industry’s commitment must be shared across the entire value chain and dedicated to clear principles of success.

Consumer Brands Association, our members, and indeed the entire CPG industry has a strong commitment to recycling, the re-use of recycled materials and the concept of Extended Producer Responsibility. However, we believe the current language does not fully address the requirements of a working EPR program that can serve as a model for other states and the beginning of a working regional EPR system. We suggest a further examination of the goals for an EPR system in New York and an immediate stakeholder process so that the full potential of this policy proposal can be reached in the scope of the budget process.



Thank you for your attention and for this opportunity to comment. If there are any questions or if we can further assist you, please feel free to reach out to me at any time.

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