

## **Extended Producer Responsibility (EPR) - Policy Priorities**

The Sustainable Food Policy Alliance supports the development of an extended producer responsibility (EPR) program featuring a nationally consistent, economy-wide approach to packaging life cycle management. SFPA member companies participate in EPR programs globally, and we have used that experience to identify the following policy priorities for an effective U.S. program.

We support a shared responsibility model led by a public-private partnership that can make recycling infrastructure improvements via funds derived from eco-modulated fees collected from brand owners and distributed toward recycling system improvements based on a quantitative analysis of community needs. This model balances federal policy, municipal implementation, and brand participation, and covers a variety of packaging materials from paper to plastic to glass. A non-governmental organization will manage the EPR program and set clear guidelines around fee-setting, fee collection, and fund disbursement – ensuring that companies are incentivized to design for recycling and that funds are used to boost the recycling system. In addition, the most successful EPR program will support continued innovation across the packaging and recycling sector, provide strong environmental benefits, and ultimately reduce the carbon footprint of our packaging.

### *Policy Priorities*

1. The EPR program must be managed by a non-governmental organization, often referred to as a Product Stewardship Organization (PSO) or Producer Responsibility Organization (PRO) rather than a Federal or State Agency to ensure the agency plays the regulatory role it is best suited to as a governance body. Our preference is for one national system with a national PSO/PRO. State and regional PROs, in partnership with government, should maintain authority over system operation if they are making timely progress toward the goals set by the national body. However, federal intervention should be allowed if a state or regional PRO fails to achieve its targets or operate within the national construct.
  - a. The non-governmental organization should include a diverse governing body comprised of a diversity of participating producers and packaging material types.
  - b. The non-governmental organization should have responsibility for setting fees and collecting funds.
2. A non-binding Advisory Committee should advise PRO on plans, funding and performance goals and include broad stakeholder representation inclusive of local governments, recyclers, collectors, and at least one packaging producer participating in the program.
3. The EPR program should apply to all materials; the program should be material neutral.
4. The fee-structure must include eco-modulation (fees adjusted based on a series of environmental factors), equity, transparency, and adaptability to changing market conditions.
5. We support EPR fees that are based on net costs. Under a net-cost approach, producers pay a fee that reflects the actual cost of handling their packaging. The net cost calculation will take into account the cost of collection and sorting minus revenues from material sales plus the cost of disposal – if the packaging cannot be recycled.
6. EPR programs must include shared financial responsibility between communities and brands for solid waste and recycling programs.
7. Funds collected through EPR should be reserved for infrastructure improvements of the recycling system targeted specifically to that system's specific needs in order to meet defined recycling and recovery targets.

8. Programs should ensure equitable access to recycling and collection. In addition, air quality, siting, and other permitting processes should be bolstered to ensure that infrastructure investments do not adversely impact the environment or disadvantaged populations.
9. SFPA is opposed to material or product-specific bans as it is critical that the system undergo comprehensive change.
10. SFPA supports a variety of recycling technologies – including mechanical and advanced solutions. Any advanced recycling must focus on plastic-to-plastic rather than plastic-to-fuel.
11. Any proposal should aim to make the costs recycling equal to or less than disposal. For example, a disposal surcharge on waste generators can help defray the recycling operational costs for communities.