

June 29, 2012

Ms. Caroll Mortensen, Director
Department of Resources Recycling and Recovery
1001 I Street – P.O. Box 4025
Sacramento, California 95812-4025

Dear Director Mortensen:

On behalf of the members of the Product Management Alliance (PMA), I write to express the PMA's objection to the use of Extended Producer Responsibility (EPR) as an implementation concept for CalRecycle's 75 Percent Recycling Initiative.

By way of introduction, PMA is a coalition comprised of trade associations and individual companies that represent a broad array of products, including mattresses, carpeting, electronics, toys, paper, packaging and transportation materials, plastics, personal care, industrial equipment and pharmaceuticals. The mission of PMA is to support market-based EPR efforts, as well as voluntary incentives for increased recovery and sustainable product and package design.

Although PMA objects to the mandatory nature of the EPR programs as outlined CalRecycle's draft document on this issue, PMA wants to commend California, the Legislature, the Governor and CalRecycle for addressing this issue and PMA fully supports comprehensive, fair and equitable measures to increase recovery and recycling. The members of PMA participate in various programs and initiatives to reduce waste and increase recovery, and have expertise in these issues that can be invaluable to CalRecycle as it embarks on this ambitious effort.

With that said, PMA respectfully requests that a more thorough and fair approach to this issue be taken because, for the reasons set forth below, EPR will not yield the results that CalRecycle expects from this initiative.

I. EPR IS NOT A COST-EFFICIENT MODEL

EPR tends to be attractive to municipalities and states with overburdened public works departments, but the facts show that establishing EPR programs adds substantial bureaucratic costs in time and resources spent on preparing plans, reports and other infrastructure capable of handling this expensive method of recovery. In addition, the marginal benefits (if any) associated with the increased recovery of material under EPR programs do not outweigh the costs to implement the programs.

II. EPR IS OUTDATED

Although supporters of EPR in the United States contend that EPR is a new and improved way to recover material, EPR is actually decades old. The EPR programs in Europe and Canada have had mixed results, often with costs to consumers and government increasing. In addition, the existing infrastructure and waste diversion models in other countries differ substantially from those in the United States.

III. EPR MISDIRECTS ITS FOCUS

EPR focuses on the wrong metric in order to achieve the intended results, which presumably is to increase recovery of material. Manufacturers, or those at the beginning of the lifecycle, often do not have any meaningful and substantial way to influence the actions of wholesalers, retailers, consumers and others in the chain of custody of their products. A small fraction of those who support EPR have one objective in mind: make manufacturers pay for the disposal of their products. The focus should not be on who pays, but rather who can most efficiently, most effectively and most expeditiously dispose of material in the most environmentally and economically sound manner possible. EPR fails to meet these criteria and, therefore, should be cautiously approached if not altogether abandoned in order to yield more promising results.

Thank you the opportunity to comment on CalRecycle's 75 Percent Recycling Initiative. The members of the PMA, and the industries they represent, recognize the desire of the public and policymakers for environmentally responsible business practices. That is why many of our member companies are voluntarily involved in waste recovery and reduction programs, and support recycling where it is economically and logistically feasible. We believe policies designed to impact the waste stream should be consistent among states so as to not create unlevel playing fields with respect to the disposal of products.

We would sincerely appreciate having the opportunity to not only discuss with you our concerns, but to share with you information about the product management programs that our members currently administer, for the benefit of the environment.

Sincerely,

A handwritten signature in cursive script, appearing to read "Daniel J. Connelly".

DANIEL J. CONNELLY
Executive Director