

US EPA ARCHIVE DOCUMENT

## USEPA Multi-Stakeholder Discussion Group on Sustainable Financing of Municipal Recycling of Packaging Materials

January 27-28, 2011

Crystal City, VA

### Summary of Third Meeting

#### **Introduction**

This was the third of four meetings convened and funded by the U.S. Environmental Protection Agency (EPA) for state and local government entities, brand owners, and NGOs to discuss options for sustainable financing and optimal performance of municipal systems for recycling of post-consumer packaging and printed materials. The agenda is attached as Appendix A and the participant list as Appendix B.

This summary reflects key points of discussion from the third in-person meeting on January 27-28, 2011. This document is not a product of consensus, although convergence did emerge at times during the discussion.

The meeting, facilitated by The Keystone Center, built upon the work of the Optimization and Financing Strategies work groups and charged each with further developing content for the next in-person meeting on April 28-29, 2011. The work groups will focus on, respectively: i) drafting “project briefs” for selected optimization strategies so that the final report can include, pending the full group’s agreement, a priority set of implementable recommendations for optimizing the overall performance of the system, and ii) assessing key strategies for sustainably financing the recycling of post-consumer packaging and printed material at the municipal level using general criteria discussed during the meeting.

#### **Definition of Sustainable Financing**

The participant group jointly developed the following definition of sustainable financing:

*A method of financing that provides secure, sufficient, stable and ongoing financial resources.*

It was noted that “sufficient” includes concepts such as “timely,” “full costs,” and “meets goals,” and “stable” includes the notion that funds are used for their intended purpose and are not susceptible to being diverted or raided.

#### **Current Financial Challenges**

State and local government representatives presented an overview of current financial challenges faced by municipal recycling systems. The purpose of the presentation was to increase the collective understanding of the challenges and opportunities faced by particular sectors.

### **Optimization Workgroup**

The Optimization workgroup presented the status of their efforts since the December 2010 meeting. Building on the mapping exercise, they identified 2-3 key challenge areas and opportunities for improving each phase of the system for recycling of packaging and printed material. To address the challenges the group identified a corresponding set of potential projects, at a conceptual level, with preliminary information on scope, resources needed, and responsibilities. The group also provided a draft set of criteria for prioritizing the projects to advance for further development in the next round of work group activity.

During the meeting, the participants reviewed and suggested additions/changes to the list of projects and built agreement on a method for prioritizing them, resulting in a polling exercise to indicate their preferred projects. The following strategies/projects were selected to advance for further delineation by the work group (listed by system phase):

1. Packaging Design: Identify materials causing issues currently, and determine what needs to happen to enable their use and/or to eliminate contamination of the waste stream to create viable aftermarkets.
2. Consumer: Conductive extensive consumer research effort on current behavior and motivators to behavior, and develop a major communications campaign and education program based on findings of that research.
3. Collection: Assess the landscape of existing infrastructure to identify and analyze gaps and identify of areas of greatest opportunity.
4. Sorting: Assess existing sorting technology and results (contaminants, ROI, material quality).
5. Aftermarkets: Benchmark recycling rate data by material type.
6. Aftermarkets: Conduct a fit-for-use survey to match material availability with potential demand and identify of necessary changes to meet the demand.

The work group's charge going forward is to draft "project briefs" for the above strategies to further understand what these efforts would entail. This list would be included in the final report, pending the full group's agreement, as a priority set of implementable recommendations for optimizing the existing municipal system for recycling post-consumer packaging and printed material to improve overall system performance.

### **Financing Strategies**

Per its charge at the December meeting the Financing Strategies work group identified nine potential options to achieve sustainable financing for municipal recycling of packaging and printed material, including examples and variations of each for purposes of the dialogue.

Discussion of the financing strategies included an opportunity for participants to ask clarifying questions and share viewpoints on the advantages and disadvantages. Participants also shared their views in written form on the advantages and disadvantages and information needs to provide a starting place for the work group to assess each strategy. *Note: Subsequent to the*

*meeting the facilitators prepared and circulated the compilation of the written input generated during the meeting, organized thematically with an indication of frequency of mention.*

This work group's task in the next round of activity leading up to the April meeting is to assess each of the following nine strategies, using the general criteria discussed during the meeting as well as the compilation of stakeholder perspectives to inform the assessment: Advance disposal fees, Deposits and unclaimed deposits, Disposal fees at time of return, Extended producer responsibility, Federal funding for recycling infrastructure, Incentives, Subscriptions, Tax credits, Taxpayer-funded.

### **Traits of an Effective System**

Using the list of traits of an effective system generated at the December meeting, participants were polled (via blind written survey) to gauge which traits should guide the development of strategies going forward.

Participants reviewed the list of the traits that received the highest degree of support – and assessed whether this was the right list to guide the development of strategies going forward. During the discussion several additional traits were added based on the state/local government presentation earlier. A small group was tasked with working with the list to address outstanding issues and propose a refined list to the full group for consideration.

### **Talking Points**

The participants continued to refine the draft talking points intended for use in communicating externally about the scope and expected outcomes of the dialogue. A small group met during the meeting to integrate the written input received from participants in advance of the meeting and continued to meet in the following weeks for refinements.

A revised version was subsequently circulated among the full participant group for review and is expected to be finalized shortly.

### **Additional Items**

The following items were discussed and noted for follow-up:

- *Glossary of Terms* - Keystone will send a refined list of terms and proposed definitions based on input received prior to the meeting.
- *Questions for System Managers* - Four additional questions were identified for system managers to address. Keystone will work with the individuals who offered information that may provide helpful responses to those questions.
- *Information Needs Relevant to Work Group Activity* - Potential webinar topics of interest to the participant group included: results of a recent McKinsey study, emerging ISO/ISTA standards, and current EUROPEAN initiative.

- *Future Opportunities* - A participant will organize an offline discussion regarding possible means for continuing a multi-sector dialogue.
- *Recent Webinars* - Keystone will send summaries of previous webinar presentations.

## **Attachment A: Agenda**

**USEPA Multi-Stakeholder Discussions On  
Sustainable Financing of Municipal Recycling  
Packaging Materials  
January 27-28, 2011  
One Potomac Yard (South Tower) – 2777 Crystal Drive, Arlington, VA**

### **Meeting Objectives**

Continue joint progress toward the financially sustainable and efficient end-of-life management of packaging materials. Specific goals include:

- a) Propose a definition of “sustainable financing” for purposes of this dialogue
- b) Review and advance the work of the Optimization Workgroup
- c) Review and advance the work of the Financing Strategies Workgroup
- d) Increasing shared understanding of each sector’s needs and interest relative to the dialogue’s scope
- e) Discussing and prioritizing characteristics of an effective system
- f) Developing a workplan (including goals for the fourth meeting) to guide the dialogue toward a productive conclusion

### **Meeting Agenda**

#### **Day 1**

- |           |  |
|-----------|--|
| 8:30 a.m. | <p>Opening</p> <ul style="list-style-type: none"> <li>• Welcome and introductions</li> <li>• Greeting from EPA/ORCR</li> <li>• Review of meeting objectives and agenda, logistics, and discussion principles</li> </ul>  |
| 9:00      | <p>Taking stock of recent events</p> <ul style="list-style-type: none"> <li>• What else is going on that everyone should know about? (e.g., relevant conferences and other events, research, new commitments, off-line conversations)</li> </ul>   |
| 9:30      | <p>Overview of the current financial challenge</p> <ul style="list-style-type: none"> <li>• Presentation from state and local government participants addressing questions raised by private sector participants</li> <li>• Introduction of questions from state and local government to industry</li> </ul> |
| 10:30     | <p>Break</p>   |
| 11:00     | <p>Defining “sustainable financing” – what is meant by it?</p>   |
| 11:45     | <p>Optimization strategies</p> <ul style="list-style-type: none"> <li>• Report from work group</li> </ul>  |

- Discussion
- Finalize prioritization framework
- Identify any additional potential strategies to address challenges in the system
- Next steps

12:30 Lunch

1:15 Optimization strategies (continued)

- Determine next steps

2:45 Break

3:00 Financing strategies

- Report from work group
- Discussion
- Next steps

5:00 Transition to Day 2

- Recap of Day 1
- Increasing mutual understanding – are there other priority questions each sector has for the others?

5:30 Adjourn

*Evening plans:* Dinner on your own. Small work group activity as needed.

## ***Day 2***

8:30 Opening

- Recap of Day 1
- Preview of Day 2

8:45 Characteristics of an effective system

- Resuming discussion of previously suggested traits of a successful, sustainable financing approach. Are there priorities to recommend?

930 Increasing mutual understanding (continued from Day 1)

- Brief work in sector caucuses to review and answer questions that have surfaced throughout the day regarding drivers, interests, needs, and challenges
- Brief presentations from sector groups
- Q&A and discussion as needed

10:30 Break

11:00 Discussion of optimization priorities (continued from Day 1)

- Review prioritized list
- Determine which strategies to explore and articulate in greater detail
- Determine workgroup activity needed (including composition of and charge to any new group[s])

12:15	Lunch
1:00	Discussion of financing strategies (continued from Day 1)
2:15	Discussion of future opportunity <ul style="list-style-type: none"><li>• Sharing initial hopes regarding the focus and objectives of any multi-sector initiative that might develop out of this dialogue</li></ul>
2:45	Discussion of information needed going forward <ul style="list-style-type: none"><li>• What if any information is needed to help the group to conclude its work as a result of the next and final meeting? If so, how should/can it be made available?</li></ul>
3:30	Wrap-ups <ul style="list-style-type: none"><li>• Summary of next steps</li><li>• Projected objectives for the fourth meeting, and summary of between-meeting tasks and responsibilities.</li></ul>
4:00	Adjourn



**Attachment B: Participant List*****Lee Anderson***

Manager, State and Local  
Government Relations  
General Mills

***Janine Bogar***

Beyond Waste Coordinator  
Washington State Dept of Ecology

***Chip Brewer***

Director-Worldwide Government  
Relations  
S. C. Johnson & Son, Inc.

***Scott Cassel***

Executive Director  
Product Stewardship Institute

***Dan Colegrove***

Senior Director, State and Local  
Government Affairs  
Kraft Foods

***April Crow***

Global Sustainable Packaging Manager  
Coca-Cola

***Steve Danahy***

Supervisor, Waste Planning & Aid Unit  
Nebraska Department of Environmental  
Quality

***John A. Delfausse***

Vice President  
Global Package Development  
Chief Environmental Officer  
Estee Lauder Corporate Packaging

***Resa Dimino***

Special Assistant  
Commissioner's Policy Office  
New York State Department of  
Environmental Conservation

***Miriam Gordon***

California Director  
Clean Water Action / Clean Water Fund

***Garth Hickle***

Product Stewardship Team Leader  
Minnesota Pollution Control Agency

***Jen Holliday***

Environmental & Safety Compliance  
Manager  
Chittenden Solid Waste District

***Sego Jackson***

Principal Planner  
Snohomish County, WA

***Anne Johnson***

Director  
Sustainable Packaging Coalition

***Tom Langan***

Director  
Government Relations & Public Affairs -  
U.S.  
Unilever

***Justin Lehrer***

Program Manager  
StopWaste.Org  
Alameda County Waste Management  
Authority

***Kim Lymn***

Senior Manager, Packaging  
Target Corporation

***Robert "Bob" Mann***

Founder, Bridging the Gap, Inc.

***Jack McAneny***

Associate Director, Global Sustainability  
Procter & Gamble

***Scott Mouw***

Director  
North Carolina State Recycling

***Joan Pierce***

VP, Global Packaging  
Global Supply Chain  
Colgate-Palmolive

***Tom Rhoads***

Executive Director  
Onondaga County Resource  
Recovery Agency

***Beth Sauerhaft***

Sr. Manager, Environmental Stewardship  
Pepsi Beverages America

***Bill Sheehan***

Executive Director  
Product Policy Institute

***Kate Sinding***

Senior Attorney  
Natural Resources Defense Council

***Bill Smith***

Senior Environmental Specialist  
City of Tacoma Solid Waste Management

***Theresa Stiner***

Environmental Specialist Senior  
Iowa Department of Natural Resources  
Land Quality Bureau

***Gail Tavill***

Vice President, Sustainable Development  
Research, Quality & Innovation  
ConAgra Foods

***Brad Wolbert***

Hydrogeologist  
Wisconsin Department of Natural Resources

***Amy Zettlemoyer-Lazar***

Packaging Director, Sam's Club

**USEPA*****Sara Willis Hartwell***

US EPA  
Senior Policy Advisor  
Office of Resource Conservation and  
Recovery

***Jay Bassett***

Chief, Materials Management  
USEPA Region 4

***Kent Foerster***

US Environmental Protection Agency  
Office of Resource Conservation and  
Recovery

***Chris Newman***

Materials Management Branch  
U.S. EPA Region 5

**Facilitators*****Brad Sperber***

Senior Facilitator  
The Keystone Center

***Jody Erikson***

Senior Facilitator  
The Keystone Center

***Suzan Klein***

Associate Facilitator  
The Keystone Center