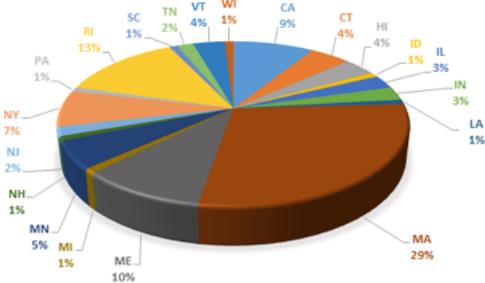




MEMBER POLICY UPDATE · THIRD QUARTER 2016

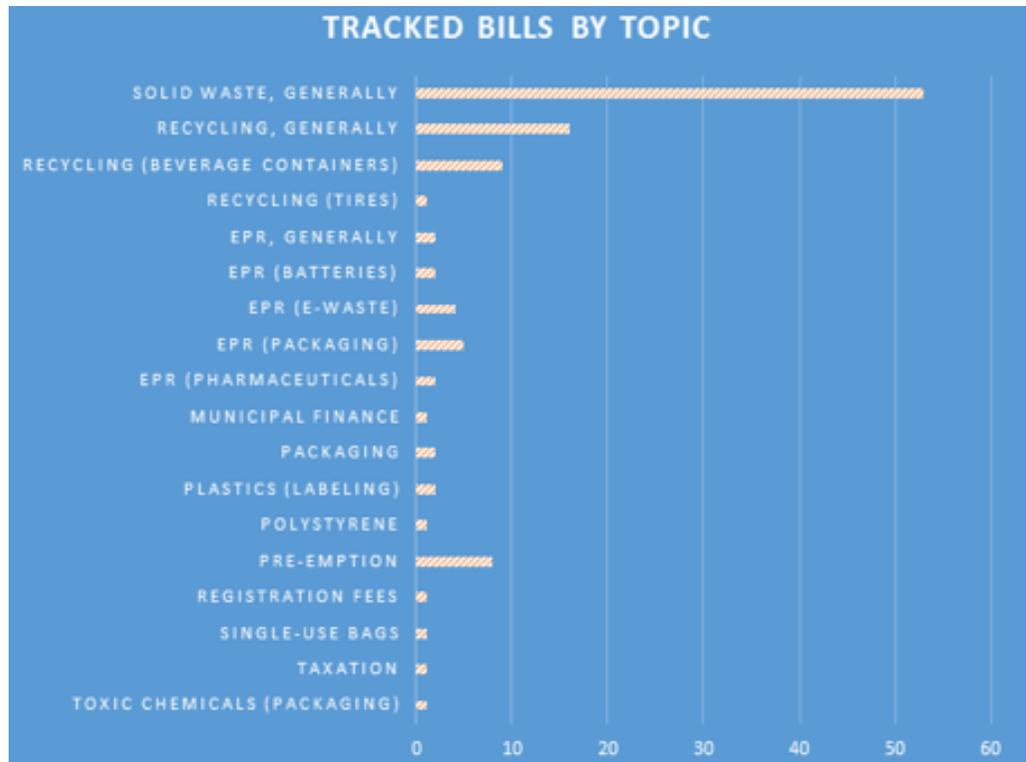
Over the last two years, AMERIPEN has been engaged in state solid waste discussions – as they relate to consumer packaging, recycling and solid waste diversion. AMERIPEN's goal in this engagement has been to promote policies that improve and create efficient recycling structures in states and ensure that policies passed at the state level do not undermine an efficient recycling system for consumer packaging.

Now that most state legislatures have wrapped up business for the year – or in many cases have concluded their two-year sessions – we can look back and count 112 bills in 20 states that we actively monitored or engaged in - at the state level.



As previously reported, the preponderance of bills tracked are in the Northeast. There, Massachusetts has 32 bills of interest, Rhode Island 15, Maine 11, New York 8, Connecticut 5, Vermont 4, and New Hampshire 1. Elsewhere, only California (10) climbs into the double digits.

To some degree, this disparity reflects the activist bent of some legislatures. Nearly half of all bills (47%) tracked under the very general category of "solid waste." The category called "recycling," which accounts for 14% of the total. Extended Producer Responsibility (EPR) accounts for almost 15% of the tracked bills, spread across five categories. Packaging issues, too, account for nearly 10% -- or 17% if you include legislation around beverage containers ("bottle bills").



Of course, not all bills and state actions are created equal. Certain issues and states have warranted active engagement in recent months, as reflected by bills that have drawn special attention from AMERIPEN. These include:

Connecticut - This year AMERIPEN was intensely involved in the debate around SB 233. One of the latest members of the Kennedy Family to turn to a career in politics, Sen. Ted Kennedy, Jr. engaged in the battle to reduce "the amount of unnecessary packaging used on consumer products." Discussions of Senator Kennedy's concerns began with a press conference before the holidays of 2015.

SB 233 was then filed in February and as Chair of the Joint Committee on Environment, Sen. Kennedy shepherded it quickly through Committee. Initially the legislation would have authorized the Connecticut Department of Energy & Environment (DEEP) to evaluate and recommend steps necessary to achieve a 50% diversion and recycling rate for consumer product packaging – including extended producer responsibility (EPR) programs - whereby brand owners would fund packaging take-back programs.

In this debate AMERIPEN helped foster a discussion among industry stakeholders to coordinate advocacy and prevent negative EPR policy from passing. This discussion resulted in a strong grassroots campaign to raise concerns with SB 233 and suggest that there are better approaches to addressing solid waste issues in the State. Following this coordinated advocacy, Sen. Kennedy amended his own bill in mid-April, backing away from mandating specific reforms and instead creating a short-term task force to study the issue in more depth. As amended, the bill passed and it was signed into law on June 3. Since passage, AMERIPEN has worked to ensure that industry is properly represented on the task force itself. The taskforce is now having members named,

and is expected to begin discussions this Fall – prior to the 2017 legislative session.

Rhode Island – This year both chambers saw the introduction of similar legislation to increase the recycling rate for printed paper and packaging materials. SB 2605 and HB 7896, which ran on parallel tracks in the Senate and House, were both “held for further study.” However, neither bill advanced, and both remained in committee. We expect that a larger fight can be expected on this issue in the 2017-18 session.

Gov. Raimondo did sign different legislation impacting solid waste goals and planning. SB 3024 was signed into law on July 12 as Chapter 460 of the Acts of 2016, which committed the state to reducing solid waste by 50% by 2025 through some combination of diversion, source reduction, composting, re-use or recycling. Also, SB 2182 (Chapter 422) requires the Rhode Island Resource Recovery Corporation (RRC) to produce a report detailing the economic impact of recycling and diversion by 2018. At this point the RRC has not begun efforts to compile this report.

Maine – This year, SP 626 (LD 1578) set out to be an omnibus vehicle for increasing recycling in Maine and reducing disparities in the effectiveness of recycling programs in communities across the state. As drafted, however, more than half the text was instead devoted to promoting a newly aggressive program to force manufacturers to recycle batteries, including those “covered” batteries embedded in other products. This inspired a strong backlash from manufacturers of toys and other battery-driven products. We were able to prevent this bill from reaching the floor of the Senate for a vote; that effort, however, rankled the bill's sponsor, and we expect Republican Sen. Thomas Saviello, who chairs the Joint Committee on Environment and Natural Resources, to attempt to resurrect the issue in 2017.

LD 313 was signed into law as Chapter 461. It delayed the state's 50% diversion goal for food waste until January 2021,

but set a 2019 goal of 0.55 tons of solid waste per capita by 2019, which will be further reduced by 5% every five years thereafter. A state Solid Waste Diversion Grant Program was created under the legislation to help meet these goals.

Oregon – As a result of legislation that passed in 2015 (SB 263) the Oregon DEQ has begun an ambitious program of developing a Sustainable Materials Management approach and goals that account for the best use of a material for end of life management. AMERIPEN is encouraged by this approach, which considers the overall best end use for a material and moves away from tonnage based recycling targets. AMERIPEN has worked with the DEQ to engage in this type of approach and is taking some of these concepts to other states to explore their feasibility elsewhere.

Ohio – The solid waste infrastructure is very much locally controlled and focused on landfill management and achieving broader recycling participation. In this space AMERIPEN has engaged to see if there are opportunities for a discussion of SMM and to encourage broader recycling programs through an expected waste characterization study in 2017 and solid waste management plan update in 2018.

Michigan – The Department of Environmental Quality is working with the Solid Waste and Sustainability Advisory Panel as they draft proposals to Michigan's Natural Resources and Environmental Protection Act with regard to solid waste. Within this discussion AMERIPEN submitted comments and is having discussions with the DEQ about including elements of SMM in the proposed revisions to the State's solid waste laws.

North & South Carolina – AMERIPEN is working with the Southeast Recycling Development Council (SRDC) to explore ways to increase recycling access in multi-family dwellings. Recycling stakeholder discussions are anticipated in November.

Colorado – Colorado is revising its overall solid waste planning document, the Integrated Solid Waste & Materials Management Plan. AMERIPEN submitted comments, specific to the plan goals that are already moving toward a SMM approach and encouraged goal-setting that goes beyond just diversion and recycling tonnage progress goals.

Minnesota – Over the last two years, there has been sporadic discussion about what the next steps for solid waste and recycling are for the State. This year, the requirement that commercial entities that contract for four cubic yards or more of trash per week must be recycling at least three materials by January 1, 2016 went into effect. Efforts to measure the impact and progress of this requirement are underway. AMERIPEN continues an active dialogue with the Minnesota Pollution Control Agency (MPCA) and local stakeholders to determine what positive next steps could improve recycling in the state.

Additional States – Other AMERIPEN priority bills relating to the recycling of paper and packaging products, that did not pass, but were actively considered include Indiana's SB 386 and New York's SB 5377A and AB 4724A. Additionally Massachusetts HB 702 looked to “create a framework to re-allocate responsibility for discarded products”; and another Massachusetts bill that would have mandated “consistent” recycling programs across the state (HB 3420). Hawaii also considered SB 1170 setting standards for “compostable” products.

2017 and Beyond: The outcomes of November's elections will significantly impact future solid waste decision-making. AMERIPEN is actively engaged in helping to shape policy and will continue to build relationships and credibility with state decision-making structures following the elections. With 2017 being the “first-year” of two-year legislative calendars for the vast majority of states, it will be an incredibly active year, where large volumes of new solid waste legislation will be introduced.