American Chemistry Council | Plastics Division

January 26, 2022

Electronic Submission

Honorable Michael J. Webert, Chair, and
Members, Subcommittee on Agricultural, and
Committee on Agriculture, Chesapeake, and Natural Resources
House of Representatives,
Commonwealth of Virginia

In re: Opposing House Bill 647, relating to: establishing packaging stewardship in Virginia.

Dear Chair Webert and Members,

On behalf of the members of the Plastics Division of the American Chemistry Council (ACC), thank you for this opportunity comment on House Bill 647, relating to establishing a packaging stewardship program in Virginia. ACC urges the committee to **reject HB 647** because (1) it is not a producer-led product stewardship approach and (2) advanced recycling, an important technology to create a circular economy, is excluded from funding under the proposal.

ACC Supports a Circular Economy. ACC and our members are deeply committed to creating a more circular economy for plastics. That is why we established goals that all U.S. plastics packaging is reused, recycled or recovered by 2040 and all plastic packaging is recyclable or recoverable by 2030. Achieving these goals will require industry, manufacturers, brands and retailers, recyclers and waste haulers, as well as citizens, communities, non-profits, academics, and federal, state and local governments to come together to support policies and programs to increase the supply of and demand for recycled materials. To that end, we support producer responsibility.

Producer Responsibility. ACC believes that the entire value chain from materials producers, converters, brands and retailers, waste and recyclers and government have a role to play in facilitating recycling of packaging and that more resources are needed in the system to create the circular economy we all want. A well-designed producer responsibility system should:

- Increase access to recycling and modernize the collection of all materials.
- Ensure all fees collected on consumer-packaged goods are invested back into recycling to improve access, collection, sorting, and outreach.
- Encourage the use of packaging materials with better environmental performance.
- Encourage innovation in recycling technologies via the private and public sectors to ensure more used plastic is reused instead of disposed of.
- Develop new circular markets for recycled plastics by building recycling infrastructure and collaboratively developing circular markets for recycled plastics in the US style of competition and free market.

Unclear Purpose and Resource Drain. In place of producer-led product stewardship, HB 647 would require the Department of Environmental Quality (DEQ) to administer a packaging stewardship program and needs assessment or contract with a product stewardship organization. Almost all of the program would be created by DEQ through rulemaking. This creates a significant resource burden on DEQ and potentially considerable expenses for consumers. This proposal creates a substantial resource burden on DEQ that consumers will likely be burdened to fund.

Disadvantages Advanced Recycling and the Recycling System. This proposal misses two important marks to increase recycling: (1) advanced recycling, an important recycling technology, is disadvantaged, and (2) instead of focusing on recycling overall, it emphasizes collection.

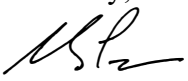
Senate Bill 590, which supports advanced recycling in Virginia, was passed by overwhelming margins and signed into law by the governor last session. The new law makes advanced recycling more viable in Virginia by (1) providing important tax incentives and (2) modernizing the regulatory framework for advanced recycling. By contrast, House Bill 647 specifically excludes advanced recycling from the program finances rather than recognizing the role it plays in transitioning Virginia to a circular economy. Instead, the proposed program emphasizes collection without considering the entire recycling system.

Industry Commitments. The private sector, including many of America's plastic makers, are investing billions of dollars in plastics recycling that would utilize more material collected.

- Since July 2017, there have been 74 projects worth more than $7.5 billion in announced investments in modern recycling technologies in the U.S., with more on the way. Many expand the types and volumes of plastics that can be reused.
- These projects have the potential to divert more than 12 billion pounds of waste annually from landfills.
- 82 percent of these investments are in the growing field of advanced recycling, which is crucial modern infrastructure needed to accelerate a circular economy for plastics. This Senate Bill 590 appropriately recognized the importance of advanced recycling infrastructure.

Again, we urge you to **reject HB 647**. Thank you for this opportunity to provide this information to the committees. If you have any questions or if I may be of further service, please feel free to contact Josh Young, ACC's Senior Director, Mid-Atlantic Region at (202) 249-6223 or Josh_Young@AmericanChemistry.com

Sincerely,



Adam S. Peer, Senior Director
American Chemistry Council