A National Recycled Content Requirement

Implementing a minimum recycled content requirement for plastic beverage containers would help close the loop on recycling

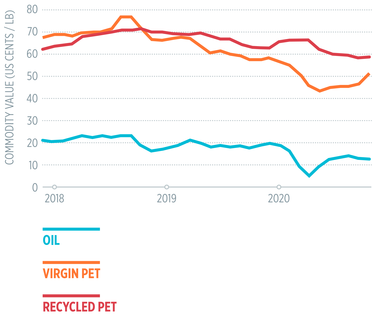
Minimum recycled content requirements are a critical policy tool to drive investment and demand for recycling, address climate change, help stabilize municipal waste budgets, and enable resilient local economies.

The Problem

In recent years, recycling system conditions have eroded significantly. Falling oil prices, the near total ban of plastic exports to China, and industry fluctuations related to the Covid-19 pandemic have all contributed to crumbling market conditions.

Market prices do not reflect the full cost of using virgin materials: they ignore the excess energy use and emissions involved in processing raw materials. Combined with commodity price swings and supply challenges, recycled material prices often exceed virgin material prices, eliminating the incentive to shift to greener supply chains. Recycled plastic resin has been more expensive than virgin resin in recent years.[1] As a consequence, just 28% of PET beverage containers are recycled in the US.[2]

US Commodity values for oil, virgin PET, and recycled PET



A Solution

Minimum recycled content (MRC) mandates require producers to use a minimum amount of recycled material in new packaging. The primary goal of MRCs is to drive demand for material recycling, irrespective of the price of virgin material. This strengthens recycled material markets over time, and ensures that valuable materials are reused domestically instead of being buried, burned, or littered.

Recycled content requirements also decouple the financial health of municipal recycling programs from volatile market prices, stabilizing these ubiquitous programs.

Setting a Precedent

Pursuit of MRC requirements, especially for PET beverage containers, is on the rise. In 2019, the European Union mandated that all plastic PET beverage bottles must have 25% recycled content by 2025, and 30% by 2030.[3] In 2020, California became the first US state to require up to 50% minimum post-consumer recycled content in plastic water bottles, followed by Washington state adopting MRC requirements in May 2021.[4] The states of New Jersey and Oregon likewise have passed MRC bills, while Maine is considering a bill.[5]

BENEFITS OF A NATIONAL RECYCLED CONTENT MANDATE

Proven Investment Stimulus

Since the late 1980s in the US, MRCs for glass, paper and plastic packaging have stimulated investment and economic activity. In California, the consumption of recycled content newsprint jumped from 628,000 tons to 1.85 million tons in the first year after MRC requirements were passed. The newsprint minimum content law was cited by multiple paper manufacturers as a key factor in expansion planning.[6]

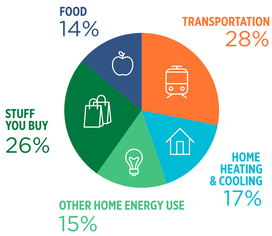
More Resilient Local Economies

MRC requirements bolster local recycling industries, create jobs, and support sustainable growth. Turning valuable commodities back into goods domestically, or better still at a regional or local level, instead of shipping materials overseas or disposing of them, increases local self-reliance and decreases dependency on foreign made goods.[8]

The Climate Link

The waste-related impact of consumption is sometimes underestimated because carbon footprint assessments typically exclude GHGs associated with goods and services originating outside jurisdictional bounds. However, the emissions from the production, transportation, use, and disposal of "stuff we buy" comprise more than 25% of the average American household's GHG footprint.[7] Use of virgin materials, like plastic, further increases the carbon footprint of consumables relative to recyclable, or secondary, material use.

Average American's Carbon Emissions



Deposit Return Systems: A Critical Enabler for MRC Mandates

The cost effective use of recycled materials depends on the availability of high volumes of high-quality material.[9] Recycled content requirements, especially for plastic packaging, can create a recycling paradox: there isn't enough high-quality material available for manufacturers to meet the increased demand. This is where deposit return systems (DRSs) can play a vital role.

First, DRSs — or bottle bills — achieve high collection rates by offering an economic incentive to recycle. Second, DRS collection infrastructure and processing methods ensure high quality output. The result is a clean stream of materials fit for bottle-to-bottle recycling. Jurisdictions with modernized, high-performing DRSs are much better positioned for high-efficacy closed-loop beverage container recycling. DRS is a key solution to the recycling paradox.

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4 Assembly Bill No. 793. September 24, 2020. An act to amend Section 14549.3 of, and to add Sections 14547 and 18017 to, the Public Resources Code, relating to recycling. California State Legislator. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB793
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