

January 8, 2021

To: GreenBlue

Re: Comments on the proposed Recycled Material Standard

Thank you for the opportunity to provide comments for the proposed Recycling Market Standards (RMS) program authored by GreenBlue. The Alliance for Mission-Based Recyclers (AMBR) represents pioneers of mission-driven, community-based nonprofit recycling and zero waste programs operating in the U.S. Our comments reflect more than four decades of experience in recycling collection, processing and education programs to manage post-consumer products and packaging. One of our members, Eureka Recycling, was a member of the technical advisory committee for the RMS, and our comments build off a perspective that focuses on the overall objective and goals of the RMS, as well as some of its technical aspects.

Overall, AMBR sees value in the detailed and thorough verification and certification and Chain of Custody process developed by the RMS to build more accountability and transparency into the use of recycled content. Several of our comments speak to further ways in which the process can further support and expand the recycling industry. In addition, our comments are also rooted in a strong belief that there needs to not only be increased and more effective recycling, but also a reduction in the production of plastics overall. Recycling alone will not address the impacts of plastic production to both climate and human and environmental health.

While verification, labeling, and certification can play powerful and important roles in emerging efforts aimed at increasing the use of recycled content and creating greater circularity in the plastic packaging, we have many concerns about plastic credit trading and the unintended enabling and potentially harmful consequences of this approach.

Our comments are as follows:

1. **Require a cap on plastic production in the certificate trading scheme to drive reduction in plastic production.** In order for the certificate trading system (ARC) to be effective, it needs to be designed towards reducing the production of plastics overall, not just increasing recycled content when that means more plastics production. Other cap and trade programs, such as the carbon and acid rain programs, have set overall caps in production limits that ratchet down over time and we recommend the ARC pursue this format as well. Reducing the cap over time will drive up the price of certificates which will, in turn, encourage manufacturers to use more recycled content rather than relying upon certificates. Without a cap, credit programs become ‘pay to pollute’ schemes that enable increased harm.
2. **Publish more detail on the trading system.** The RMS framework provides a detailed explanation of the certification process but lacks similar detail on the certificate trading system. We implore GreenBlue to provide more information on the logistics of the trading



system and to publish this information for public comment. In addition to the cap on production mentioned above, AMBR would support mechanisms that give stronger priority or a higher value to certificates for:

- a. products that can be recycled over non-recyclable products, and less toxic products.
- b. circular recycling over down-cycling (and prohibiting ‘beneficial use’ like plastics to roads.)
- c. PCR content over PIR content (see below.)
- d. mechanical recycling over chemical recycling, unless the latter can be proven to have lower emissions and fewer negative social impacts.

3. **Prioritize post-consumer recycled content.** One of the primary goals of promoting the use of more recycled content is to drive investment and improvements in recycling collection and processing. However, post-industrial recycled (PIR) content does not support the expansion of curbside recycling programs or MRFs. Because there is such a significant need for increased demand and value of post-consumer content, AMBR strongly feels that this and any labeling standard or certificate trading scheme standard needs to prioritize PCR content over PIR content. In the past two years of our MRF operations, we have had challenges in selling high-quality post-consumer plastics to end markets, despite large investments on our side in new processing technology and significant commitments by brands to buy more PCR. This is due primarily to the continued low cost of virgin material. PCR materials are already at a disadvantage to PIR materials because PIR materials are commonly cleaner and easier to recycle. Putting both PIR and PCR on the same level in this standard will not help PCR compete against PIR. In order to drive more commitments and infrastructure for PCR, the RMS and ARC should focus on PCR content.

Further, we are concerned that consumers do not understand the difference between PCR and PIR and will not be able to quickly and sufficiently differentiate between the two. Therefore, the market would not be effectively incentivizing PCR.

4. **Require compliance with recycling design standards.** Products using recycled content should also support the recycling system by following design standards, such as the APR Design Guides for plastics, to ensure the product itself can then be effectively recycled. MRFs are already struggling greatly with an influx of non-recyclable packaging that is contaminating sorted commodities. AMBR encourages the RMS to require those receiving certification and use of labeling to align with design standards for recyclability. Compliance with design guidelines will ensure that more products are able to be recycled, which will in turn increase the supply of recycled content. Further, we would support incentives and eventually requirements that earning a recycled content label is contingent upon both the product and packaging actually being recyclable, which will further encourage producers to design for recyclability.

5. **Require a recycling label on any product if using RMS label.** AMBR is concerned that the RMS label will be construed by consumers to mean that the package and/or product is recyclable, which may lead to increased contamination of the recycling stream. As MRF operators and haulers, we already struggle with the increasing contamination stemming from consumer confusion around recycling labels and the recycling symbol. We strongly feel that any product bearing the RMS label should also have a label explaining whether or not the package and, where appropriate, the product are recyclable. This will help reduce confusion among customers and contamination in the recycling stream.
6. **Simplify label for consumers and procurement agents.** While we appreciate the level of detail presented in the RMS label design, we feel the label is too advanced for the average consumer. We encourage GreenBlue to conduct more user experience testing with the label to a wide diversity of consumers with the goal of simplifying the design and messaging, to reduce confusion with recyclability, and to explore other channels to provide deeper information online.
7. **Address social and environmental standards.** Not all recycling is created equal, and the labeling standard and the certificate trading scheme should include specific social and environmental standards that an entity is audited to, particularly around safe working conditions, effluent and residual management, and toxicity. This is particularly relevant for new and emerging recycling technologies that have not yet disclosed their emissions data or proven that their processes do not cause significant harm to the environment or communities. The inclusion of environmental standards in the EuCertPlast section 7 is an example of how to include specific environmental practices. The Normative References on page 4 and Organizational Requirements in section 4.2 are not sufficient. Further, the plastics industry in North America has had documented human health and environmental impacts to communities, particularly communities of color. Therefore, principles of Environmental Justice need to be specifically outlined in the standard as well.
8. **Utilize mass balance for all processes.** We are concerned about the use of Lower Heating Value in the accounting mechanisms used for labeling and/or a certificate trading system. It remains unclear as to why a mass balance approach cannot be used in certain processes and we are concerned as to how the justification of LHV will be assessed. It is unclear why thermochemical processes cannot use traditional mass balance and there is concern that LHV will lessen the transparency and authenticity of labels and claims.
9. **Provide clarity on fillers.** There needs to be great clarity around how to account for fillers, coatings and additives and a threshold for when the percentage of fillers, coatings, and additives in the total packaging needs to be taken into account in applying the recycled content percentage.

10. **Clarify processing to protect mechanical recycling.** We are concerned about the implications of section 4.3 which states “that material must be recycled in such a way as to not require excessive processing ... such as energy or other material inputs, equivalent or greater than those required to extract and process virgin material.” We believe the intent of this section is to ensure that any recycling process is providing a net environmental benefit, and we see value in this concept, particularly in terms of newer chemical recycling technologies. However, it is important to recognize that mechanical recycling as a supply chain may have several more steps towards an end product. More detail needs to be provided on how this processing energy will be assessed so that it does not negatively impact mechanical recycling and incentivize chemical recycling over such. The virgin plastics industry has been heavily subsidized over the years and therefore has certain efficiencies that mechanical recycling has not been able to achieve. Further, other environmental and social impacts should be considered, such as air and water pollution and community impacts, as noted above.

11. **Support for excluding fuel.** We strongly support the RMS in not allowing labeling and credit for any fuel products produced by recycled content.

AMBR greatly appreciates the opportunity to provide comments and the work of GreenBlue to promote the greater use of recycled content and more transparency for these claims. We are happy to provide further detail on our comments.

Sincerely,

The Alliance of Mission-Based Recyclers