



Association of Postconsumer Plastic Recyclers

www.plasticsrecycling.org

CIWMB
Sacramento, CA
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Who is APR?

- 90% of Postconsumer Plastic Reclamation capacity in North America
- Our structure - Market Development Committee, Technical Committee, and 'Rigids Beyond Bottles' Working Group
- Key issues - supply and contamination

Who is APR?



- Without APR members, there is no Plastics Recycling
- Plastics are not Sustainable without Recycling

What we do



Technical Focus of Plastics Recycling

- Critical Guidance Documents for PET and HDPE (for new innovation evaluation)
 - Recognition for complying bottles & components
- Design For Recyclability Guidelines (to design 'good' bottles)
- Model Bale Specifications
- WEBINARS/WORKSHIPS/Kids Website
- Rigids Program (to practically recycle this resource)

Economic Downturn Impact



- Housing construction slowdown – carpet fiber
- Transportation of goods – strapping
- Car sales slump – interior parts and carpet
- Export markets – demand evaporated, momentarily
- Credit freeze – hurt like other businesses

Plastics Recycling Market



- US reclaimers buy globally

But,

- 2007 PET exports were 54% of USA collection
- 2007 HDPE exports were 23% of USA collection

Domestic supply of material has not encouraged investment in infrastructure.

Market signals matter.

Plastics Recycling Industry



- Bottle collection tons increase each year
and, much goes off-shore
- Potential demand for PCR exceeds supply
- Actual demand is supply-limited
- Exports are a mixed blessing.
- Unstable and unreliable
- Inhibits investment in US
- INVESTORS NEED STABLE SUPPLY OF
GLOBALLY-PRICED RAW MATERIAL

Recommendations



- Market Signals Are Critical
- What can the Board do now?
- **Enforcement of existing RPPC law**
 - Law created HDPE recycling industry
 - The content requirements did not disrupt other recycled HDPE uses, as few initially existed.

CIWMB Actions



- Continue to Collect PET and HDPE bottles
- Source Reduction change
 - Don't kill HDPE recycling
 - No Resin Switching Credit
- Improve Quality of Bales – current DOC grant
- Mandated Content helped stabilize HDPE prices by providing base load of demand. **However**

Mandated content is a powerful tool

- California non-food content requirement impacts nationally. Brand companies do not wish to package differently for one state. Packages have to be acceptable to all states
- Use judiciously
- Excessive limits disrupt recycling industry and no one wins.

CIWMB ACTIONS TO UNDERTAKE



- Stay credible:
- ENFORCE CURRENT LAW FOR RECYCLED CONTENT



National Trends - End Uses for PET

- Carpet
- Textiles, garments, fleece, pillow filler
- Strapping
- Bottle packaging
- Thermoformed packaging
- Automotive
- Anything virgin PET can do -
including food-grade packaging

PET Supply Problem

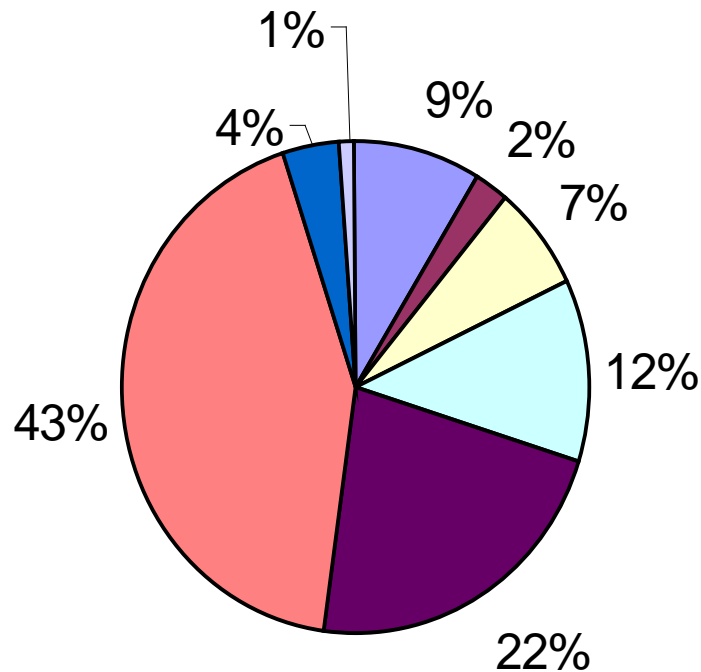


- 3/4's of recycled PET into products other than bottles. Some are higher valued than bottles.
- **Must get more bottles collected to have supply for high recycled content in bottles and STILL have material for other uses.**
- Over 50% of collected PET leaves country
- Need domestic buyers healthy because export markets come and go

National Trends - End Uses for HDPE



HDPE Uses



- lumber
- pallets, crates and buckets
- film sheet
- lawn & garden
- pipe
- non-food bottles
- auto

Investment



- Investment in technical innovation and plant capacity will continue to be difficult without clear market signals.
- The Fastest Market Signal you can send is enforcement of existing law



National Trends



Key Factors in National Trends

- Coca-Cola Initiatives and Leadership
- 'Curbside Value Partnership' Initiative
- Trexx's need for LDPE/LLDPE vs. Bag Bans
- Markets – changes and growth
- Polypropylene – what to do?
- Deposits/Content Laws
- California Regulations/Legislation

National Trends Continued



- Bottled Water – demand and limitations
- China – what next?
- Recycle Bank – will it grow and prosper?
- Bio-Resins – where and how fit in?
- Wal-Mart – impact and response
- Bale Contamination – growing issue

Non-Bottle Rigid Plastic Recycling Committee



- Committee formally approved by APR Board in June
- Goal: Expand Recycling of Rigid Plastic Packaging
 - Improve technologies for better separation
 - Spur market development of domestic markets
- Consumer product companies a driving force – want to use recycled content in packaging
- Initial focus - increase PP & PE container recycling
- Currently, low amounts of non-bottle containers recycled compared to bottles and plastic film
- Issue: How to accomplish goal economically

Conclusions



- Recycled plastic supply not growing, but potential markets are
- Investment stymied by uncertain supply.
- Need signals for both supply and demand
 - “chicken vs. egg”
- California laws currently address “supply”.
- No quick cure - but commitments to purchase in order meet enforced content requirements give security and help investment

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- THANK YOU