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February 12, 2016

Howard Levenson
Assistant Director
CalRecycle
1001 I Street
Sacramento, CA 95812

RE: 75% Recycling Goal - Manufacturers Challenge Regarding Paper and Plastic Packaging

Dear Mr. Levenson:

CalRecycle has challenged industry groups (as opposed to individual companies) to identify and describe a “comprehensive, voluntary, industry-led effort” that would help California achieve the 75% recycling goal, which resulted from Assembly Member Wesley Chesbro’s 2011 legislation, Assembly Bill 341 (Chesbro, 2011). More specifically, CalRecycle has asked what industry groups can do to achieve a 50% reduction in packaging sent for disposal. The thoughts below are intended to help the agency meet the goals the legislation has set and identify steps the cleaning product industry is pursuing to promote a more sustainable future.

Cleaning product manufacturers are sustainability leaders

The American Cleaning Institute® (ACI) is the trade association representing the \$30 billion U.S. cleaning products market. ACI members include the formulators of soaps, detergents, and general cleaning products used in household, commercial, industrial and institutional settings; companies that supply ingredients and finished packaging for these products; and oleochemical producers. ACI and its members are dedicated to improving health and the quality of life through sustainable cleaning products and practices. ACI’s mission is to support the sustainability of the cleaning products industry through research, education, outreach and science-based advocacy.

Our goal for the industry is to create products providing hygiene and cleanliness, in a manner that is environmentally sound, socially responsible and economically viable, without compromising the ability of future generations to meet their needs. This on-going work is reflected in various sustainability program, product and packaging development efforts over the last decade.

Since 2011, ACI has been releasing biennial sustainability reports tracking the cleaning product industry’s progress in a number of environmental impact areas. In 2014, ACI launched the Charter for Sustainable Cleaning. This is a voluntary lifecycle-based framework that promotes a common industry approach to sharing and reporting best practices for sustainability. Twenty-six companies, including cleaning product market leaders, have joined ACI’s Charter for Sustainable Cleaning.

The Charter for Sustainable Cleaning is the “comprehensive, voluntary, industry-led effort” CalRecycle is looking for in the cleaning products industry. More information about ACI’s sustainability efforts can be found at <http://www.cleaninginstitute.org/>.

As members of the Charter companies must not only report annually on a set of environmental metrics, but also must strive to implement a set of Sustainability Procedures and Activities (SPA). These SPAs provide a foundation for sustainable behavior within our member companies.

The **Packaging Design** SPA (described below) aims to encourage companies to design packaging in a way that minimizes volume and weight, minimizes environmental impacts, includes use of recycled content when available, and facilitates easy recovery of packaging components. As of the end of 2015, the majority of Charter members have implemented the Packaging Design SPA.

Packaging Design (Formulators & Suppliers):

Packaging should clearly fulfill its essential functions, including consumer acceptance; Charter companies shall design packaging and select packaging materials for their products in a way that seeks to improve the environmental profile of those products and their packaging across their lifecycles.

The packaging system design and material selection shall seek to:

1. Minimize packaging volume and weight.
2. Minimize environmental impacts and improve sustainability of the complete packaging system (i.e., primary, secondary and tertiary packaging) across the whole lifecycle of the system. To the extent that it can help achieve this, the packaging systems shall:
 - a. Use the highest percentage of recycled material economically available, legally allowable and technically feasible
 - b. Use refill packs and/or returnable containers
3. Permit materials to be readily recoverable and/or permit recovery after use as energy or by composting. The packaging components should be easily separable to facilitate recovery.
4. Encourage environmentally responsible use of the contents and disposal of the used packaging.
5. Minimize contamination that may arise as emissions or leachate from the materials when packaging waste is incinerated or landfilled.
6. Not inappropriately appeal to children.

Current Recycling Programs Work for Consumers and the Cleaning Products Industry

We believe that a cost effective system of shared responsibility for end-of-life product/package management currently exists which includes all factors in the commercial chain including producers, consumers and government. This system has evolved, and continues to evolve, with shared costs and responsibilities between the parties. Among other factors, it efficiently

accommodates variations in population density, transportation costs and local resources. Any changes to the regulatory portion of the system should heed certain policy objectives to assure the system continues to work for cleaning product manufacturers and consumers, as well as the state and local jurisdictions. Waste management should continue to be a shared responsibility between all parties.

Align statewide recycling baseline with local diversion mandates

CalRecycle proposed (*State of Recycling in California*, CalRecycle, March 2015) a baseline of 10.7 pounds per person per day to measure progress toward the 75% recycling goal. 10.7 pounds is the average waste generated per resident from 1990 to 2010. In contrast, CalRecycle uses a baseline of 12.6 pounds per person per day to measure the statewide diversion rate being achieved by local jurisdictions subject to the 50% diversion mandate. 12.6 pounds is the average waste generated per resident from 2003 to 2006. The following table illustrates the numerical outcomes of these differing baselines.

COMPARISON OF DIFFERING BASELINES			
All amounts represent pounds of solid waste per person per day.			
	Statewide Diversion Rate as Currently Measured	Statewide Recycling Rate as Proposed to be Measured	Difference
Baseline	12.6	10.7	1.9
50% Reduction	6.3	5.4	0.9
75% Reduction	3.2	2.7	0.5

The difference is greater than the numbers indicate because some material endpoints that have counted as local diversion do not count as statewide recycling: material transformed at transformation facilities; tires destined for tire fuel facilities; and material used at California landfills for alternative cover or other beneficial reuses.

CalRecycle chose the 1990-to-2010 baseline “to minimize the impacts of economic swings on generation, since the base years used under AB 939 correspond to a strong economic boom in California.” (*State of Recycling in California*, CalRecycle, March 2015). We believe that a time of prosperity should be the point of reference so that the measure does not signal failure when Californian’s prosper. If a time of prosperity works to determine the statewide diversion rate achieved by local jurisdictions, it ought to work to determine statewide progress toward the 75% recycling goal.

Further, the text and legislative analysis of AB 341 (Chesbro, 2011) discuss and reference the existing 50% local diversion mandate to explain the need for and meaning of a statewide 75% diversion goal. There is no hint of different baselines. Indeed, the only available understanding for “75%” is the pre-existing meaning of “50%.”

We see no good reasons for different baselines. To be effective, the reduction of solid waste disposal must be a coordinated effort. A common metric would greatly facilitate the needed

understanding, coordination, and transparency of a system with many moving parts. This metric would be a strong first step and provide direction for all stakeholders.

Prioritize and reward source reduction

Regarding source reduction, “The USEPA considers source reduction the highest priority method for addressing solid waste issues.” (Decision Makers Guide to Solid Waste Management - Vol. II, 1995, pg 5-5). California’s AB 939 (Sher, 1989) established an integrated waste management hierarchy that made source reduction the number one priority, above recycling and composting, for implementation by the Board and local agencies. This prioritization should be reflected in all changes to the current system.

Protecting consumers and the product contained within the package is a high priority for cleaning product manufacturers. In both household and commercial settings, the ability to recycle a product may be necessarily restricted to maximize safety. Manufacturers are developing product dispensers that are refillable to maximize the use of the dispenser and reduce waste. Flexibles (plastic films and bags that refill dispensers) are becoming a priority for manufacturers since they are a great avenue for source reduction. Recycling infrastructure is adapting to the changing market place for both household and institutional consumers.

The reason for this priority is self-evident. No waste is better than waste that can be recycled or composted. Source reduction not only prevents waste, it reduces material and energy used in the supply of products. For example, source reduction in the cleaning products industry has greatly reduced water use, transport emissions, and carbon foot print per unit of product.

Promote, don’t stifle, innovation

Packaging regulations and recycling regimes must consider and protect packaging innovations. Cleaning product manufacturers invest millions to improve current products as well as new products. Consumer choices are sometimes driven more by how a cleaning product is packaged than the efficacy of the product. Moreover, a product’s packaging may be just as much of a trade secret as the product itself. Protection of that information is the essence of maintaining the competitiveness of the marketplace. Any effort to force producers to reveal this information to competitors would be untenable. Also, new or altered products and packaging must not be subject to an approval process. Such a market hurdle would result in costly delays that would further inhibit the introduction of innovative products.

Minimize recycling costs

The cleaning products industry is a major consumer of recycled resins for its packaging. The more costly the system for retrieving, processing and recycling recycled resins, the higher the costs of that product to those, like the cleaning products industry, that use it. Imposing a new system for collecting used plastic containers that increases handling costs simply would not benefit recycled resin markets. The less expensive the recycled resins the more attractive they are to use. Cleaning product manufacturers are committed to the incorporation of recycled content and is a major purchaser of post-consumer recycled resins, thereby supporting that market.

Protect consumers with real cost-benefit analysis of proposed changes

The cleaning products industry has demonstrated its commitment to manufacturing sustainability while maintaining its social commitment to providing consumers of all economic levels with cost efficient cleaning products leading to improved hygiene. Any program that adds costs must be scrutinized from that perspective as well. Whether costs are internalized in a local tax bill or in product cost, the consumer always pays in the end. Therefore, changes to the current system should be subject to real cost benefit analysis. Will the alternative approach be as cost effective as the current system or accommodate local differences as effectively?

Ease and simplicity of recycling procedures maximizes program engagement for all

Consumers have first choice in the disposition of waste. The present system provides a simple and familiar means for sorting or disposing the waste associated with cleaning products. The system must remain simple to maximize consumer participation in any effort to reach the 75% recycling goal.

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Thank you for your attention and consideration of these comments. ACI's approach is to enable our membership to drive improvements in sustainability across the industry and throughout the supply chain. The cleaning products industry strives to align with the following principles:

- Protect human health and the environment against undesirable impacts
- Optimize use of the planet's resources across all phases of a product's lifecycle
- Govern our businesses with integrity, responsibility, and transparency
- Develop innovative products that contribute to the long term value of the industry
- Enhance the health and quality of life of our society

As CalRecycle considers the next steps, we urge the Agency to consider ACI's decades long commitment to providing consumers with cleaning products that meet our commitment and on-going efforts towards a more sustainable future. For future reference, my contact information is (202) 662-2514 (direct dial) or via electronic mail at jcassady@cleaninginstitute.org.

Respectfully Submitted,



Jacob Cassady
Associate Director, Government Affairs
American Cleaning Institute