

Statewide Commission on Recycling Markets and Curbside Recycling Draft Meeting Notes

Date: December 1, 2021

Time: 9:00 AM – 12:00 PM

Present:

Commissioners Bouchard, Cadena, Davis, Dell, Donlevy, Ferrante, Lapis, Kalpakoff, Medrano, Oseguera, Sanborn, Schneider, Skye, and Ward

Absent:

Commissioners Toyoda and Valle

Agenda:

Agenda Item 1: Call to Order, Roll Call, and Establishment of Quorum

Commissioner Ward brought the Commission to order. Commissioners Bouchard, Donlevy, Skye, Valle, Sanborn, and Toyoda were absent. A quorum was established.

Public Comments: None

Agenda Item 2: Review and Potential Approval of Meeting Notes

A small change was requested to remove the stray word of “including” from agenda item 7 in the November 17, 2021 meeting notes. Commissioner Oseguera moved to approve the meeting notes and Commissioner Medrano seconded. The meeting notes were unanimously approved.

Public Comments: None

Agenda Item 3: Public Comment Review - Items Not on the Agenda

Commissioner Ward noted that several comments were submitted through the CalRecycle public comment portal related to the Fiber Policy proposal in addition to multiple letters sent directly to the Commission. Those letters were posted to the Commission’s Google Drive. Commissioner Ward clarified that the Commission would not be discussing the Fiber Policy Proposal at this meeting.

Commissioner Ward asked CalRecycle to read the public comment from Erin Hall, which he noted was a good summary of the concerns of the various public comments and letters related to the Fiber Policy Proposal.

The public comments about the Policy Fiber Proposal were delegated to Commissioner Medrano.

Jeff Donlevy arrived at 9:07am.

Commissioner Oseguera would like to better understand the issue of sustainable forests. He noted that he would like to avoid any unintended consequences from the proposal, specifically around tissue used for medical purposes.

Commissioner Davis would like to discuss minimum recycled content related to the Boreal forests and the Fiber Policy.

Public Comments (see Appendix 1 for full public comment):

- Erin Hall, American Forest & Paper Association (2)
- John Hewitt, Consumer Brands Association
- Beth Percynski, Procter and Gamble
- David Marshall, Resolute Forest Products
- Robert Spiegel, California Manufacturers & Technology Association
- John Mulcahy, Georgia-Pacific LLC
- Becky Chavez, Clearwater Paper Corporation
- Joel Neuheimer, Forest Products Association of Canada

Agenda Item 4: Discussion with CalRecycle on Education & Outreach

The Commissioners discussed the survey results from the research phase of CalRecycle's statewide campaign provided to the Commissioners as a data request.

Commissioner Davis expressed concerns about the demographics of the survey respondents. He inquired about the applicability of the data in the survey given that the demographics of the survey respondents are significantly different from the demographics of the California population (as reported by census data) for some variables. He also inquired about how the deviations will impact how the results should be interpreted. Commissioner Davis specifically noted differences in Race and Ethnicity (specifically related to the Hispanic or Latino populations), age, income, and number of years in the home.

Commissioner Davis also noted his confusion about the narrative around emptying, rinsing, scraping, and drying containers. The results seemed to be accumulating different behaviors.

Commissioner Davis noted an error on page 31 about the percentage of respondents willing to empty their containers.

Commissioner Davis also found the discussion about trust statements to be confusing, including how to interpret the data in Table 29 about the 0-10 scale on trust statements.

Commissioner Davis noted an important behavioral finding (Table 19) that indicates that wishcycling is not a common behavior, meaning that people are not putting an item in the recycling bin if they are uncertain whether it is recyclable.

Commissioner Dell acknowledged these surveys are difficult to conduct but shared similar concerns as Commissioner Davis regarding the demographics of the survey. Commissioner Dell noted some of the key takeaways are that people are recycling things that are not recyclable and that there is clear evidence that the recycling symbols are misleading. Commissioner Dell also noted that there is clear evidence that people think that plastic films and wraps can go in the recycling bin.

Commissioner Oseguera noted that this research highlights the need for messaging to help people truly understand and have clarity on what should be going into each bin, especially in the context of the implementation of SB 1383.

Public Comments: None

Agenda Item 5: Report Outs from All Two-Person Committees

Waste Prevention Outreach Proposal (Ward)

Commissioner Dell responded to the comment by Pamela Bond about plastic bags in recycling bins. Commissioner Dell noted that the MRF survey found that only 6 of the 75 California MRFs accept plastic bags.

Commissioner Ward gave a brief overview of the Waste Prevention Outreach proposal which recommends that CalRecycle outreach to producers and manufacturers to prevent contamination and reduce waste.

Commissioner Davis suggested that this proposal refer to the CalRecycle survey results and SB 343 language to stress the importance removing contaminants from the recycling streams and reducing confusion by consumers.

Commissioner Kalpakoff mentioned the statewide recyclability list that the Commission created and published in their previous report. He questioned whether list should be added to the proposal as a framework.

Commissioner Ward clarified that this proposal recommends that CalRecycle utilize its outreach to reduce contamination in the recycling stream by encouraging waste prevention.

Commissioner Dell noted that there are existing labeling laws about recyclability and compostability and the Commission does not need to wait for SB 343. Commissioner Dell highlighted the importance of designing for recyclability.

Commissioner Ward noted that since this proposal is to direct outreach to producers and other decisionmakers, it would make sense to highlight design for recyclability since it is another important topic to engage those same set of stakeholders.

Commissioner Donlevy noted that there is a need to design for recyclability and to shift the burden off MRFs to handle the unrecyclable material. He noted some products are shifting from HDPE containers to colored PET containers, such as green or orange detergent bottles, which have no market for recyclability. Pigments cannot be easily removed from plastics, thus adding color makes them generally unmarketable.

Commissioner Ward asked if there is interest to update the What is Recyclable policy. Commissioner Lapis noted that it might not be appropriate to update it now given that CalRecycle will soon be collecting that data as part of the implementation of SB 343.

Commissioner Dell suggested that they could draft a targeted proposal about colored PET and HDPE bottles and shrink labels, which inhibit recyclability.

Commissioner Ward summarized the discussion and noted he would add language to the proposal to cross-reference survey results and design for recyclability concerns.

Policy on Transition from Single-Use Propane Cylinder to Refillable (Ward and Sanborn)

Commissioner Ward gave a brief overview of the proposal, for its second reading, which is to ban the sale of single-use one pound propane gas cylinders.

Commissioner Lapis expressed support for the proposal.

Commissioner Davis suggested clarifying the proposal language to make it clearer.

Chair Sanborn arrived at 9:45am.

Chair Sanborn noted that the paint aerosol industry expressed concerns about the term “immediately” and suggested a change to “as soon as is feasibly possible” for the portion referencing paint aerosol containers.

Right to Repair (Davis and Ward)

Commissioner Davis led the second reading of the proposal with recommendations on right to repair. He highlighted language that was added to the proposal about a commitment from Apple about right to repair.

Thermoforms (Davis and Sanborn)

Commissioner Ward noted again that the Fiber Policy proposal would not be addressed at today’s meeting. Chair Sanborn further clarified that the proposal will not be included in the December 2021 update report by the Commission as it will require further discussion.

Commissioner Davis highlighted changes to the Thermoforms proposal, including the goal to improve bale quality, using the comingled rate on shipped material rather than incoming loads, and for CalRecycle to begin setting MRF-specific comingled rates.

Commissioner Oseguera noted concern about point seven in the proposal which suggests setting MRF-specific comingled rates reflecting facility performance. He noted that he would need to know more about how it will impact the current system. He has previously been clear that he will oppose anything that effects the current system of support for processing facilities in terms of benefiting one over the other.

Commissioner Donlevy explained that current comingled rates are based on inbound material, after which the material is combined and processed together in facilities. Some facilities have high quality processing of CRV materials and others have low quality processing, but all are paid based on comingled rates regardless of the quality. Rather than using the inbound rates, using facility comingled rates would reward better processing and lower contamination in facility processing.

Commissioner Donlevy noted that this would apply to multiple materials beyond thermoforms. He noted that CalRecycle planned to re-establish the bale study which has been delayed due to COVID. Commissioner Donlevy suggested that CalRecycle should look at facility comingled rates instead of jurisdiction or statewide comingled rates. He emphasized that these rates should reflect the quality of bales coming from the facilities.

Commissioner Oseguera noted that “reward” and “paid what they deserve” are very broad terms. He requested examples under item seven of the proposal.

Commissioner Ferrante expressed concern about using the term “reward” when the facilities are currently meeting the existing law. She inquired about whether the suspension of the individual comingled rates prevented what is being proposed.

Commissioner Davis clarified that the term “reward” is not in the proposal. He also noted that he is generally supportive of what Commissioner Donlevy proposed in points six and seven. He also noted that he is mindful that MRF-specific comingled rates will take more time, but wants to know how they could otherwise reward the good performers.

Commissioner Donlevy clarified that instead of using the term “reward,” he is actually proposing paying facilities for the fair value of their material.

Commissioner Bouchard arrived at 10:15am.

Commissioner Skye arrived at 10:16am.

Commissioner Kalpakoff noted that he might support a thermoform-specific proposal, but has concerns about something that reforms comingled rates more broadly without more data and discussion.

Commissioner Oseguera echoed Commissioner Kalpakoff's concerns.

Letter for Labeling Law Enforcement (Dell and Valle)

Commissioner Dell summarized the previous history of the letter about labeling law enforcement. She noted that she and Commissioner Valle made updates based on the discussion at the November 17th meeting. Additionally, Commissioner Dell put together an appendix with examples of mislabeled products.

The Commissioners discussed the current version of the letter and made edits. Chair Sanborn began discussion of the letter starting with the second paragraph explaining the lack of a store take-back system for plastic bags.

Chair Sanborn suggested including non-mandated options, including language about producers voluntarily offering take back from retailers.

Commissioner Dell noted concerns about inserting extended producer responsibility (EPR) language into the proposal and instead suggested simplifying the language that there is not a comprehensive store take-back program.

Commissioner Ward mentioned the lack of success of previous in-store bag collection recycling efforts and noted his lack of support for similar cosmetic solutions.

Commissioner Donlevy noted that phrases like "in-store take-back" could be misleading and shouldn't be allowed.

Chair Sanborn noted that data on what happened with the previous plastic bag mandate is not available as there is almost no data. If they suggest imposing a rule on retailers, the recommendation should include data collection. She also asked listeners to submit data, if they have it on this topic.

Commissioner Lapis supported this version of the letter and thanked Commissioner Dell for her work on it.

Commissioner Sanborn suggested that they have the final reading of this letter at the next meeting and encouraged stakeholders to provide feedback.

Commissioner Dell suggested that they send the letter out prior to the next meeting. Commissioner Donlevy supported Commissioner Dell's suggestion.

Chair Sanborn proposed checking with Commissioners not present at this meeting to ensure they approve of the letter. If they do, she will send it out on Friday, December 3rd.

Commissioner Donlevy did not support the proposal to check in with Commissioners that are not present to determine whether the letter will be sent. He did support removing the names of any Commissioners not comfortable with the letter.

Chair Sanborn highlighted that the Commission has operated with consensus decision making, per their charter. She revised her proposal that she would send out the letter on

Friday and also send the current version to those Commissioners that are not present at today's meeting.

Commissioner Oseguera noted the importance of the Commission's policy for consensus.

Wine & Spirits (Davis and Donlevy)

Commissioner Sanborn responded to the comment from Lauren De Valencia clarifying that the Household Hazardous Waste (HHW) EPR proposal was approved and will be included in the December 2021 report.

Commissioner Sanborn responded to the comment from Gail Brice about providing subsidies to manufacturers to use recovered material from California. Commissioner Dell responded that she does not believe taxpayers should fund subsidies for large, profitable companies. She also suggested that the Commission explore the issue of what is "post-consumer" and how that influences the concept of circularity.

Commissioner Davis noted that there are two versions of the Wine and Spirits proposal, one with tracked changes and one clean version, given that significant changes were made to the proposal since the last meeting. He provided a summary of the proposal that focuses on increasing recycling of wine and spirit beverage containers, which are currently not included in the beverage container recycling program. He walked through the changes made to the proposal since the last meeting.

Commissioner Ward thanked Commissioner Davis for including nips in the proposal.

Commissioner Kalpakoff asked a question about data presented in the third paragraph in the background about the 600,000 tons a year of recycling center glass being lost. He wanted to clarify whether it is 600,000 tons of glass lost per year or 600,000 over a five-year period. Chair Sanborn made an overarching comment about the need to include citations when data is presented in a proposal.

Commissioner Donlevy noted that this was an annual figure from a single glass processor.

Commissioner Kalpakoff expressed concern for using data from a single glass processor without further corroboration.

Commissioner Kalpakoff does not support this proposal with the two-pronged approach of recommending that the wine and spirits industry can either join the CRV program or create their own collection program but supports bringing wine and spirits into the CRV program. He inquired about third-party programs in other states, such as Connecticut. He also noted that the proposal addresses the issue of nips well.

Commissioner Davis mentioned that the Northeast Recycling Coalition published a framework related to these third-party programs, but it is still a working document. He also noted that the Connecticut approach is new.

Commissioner Dell supported Commissioner Kalpakoff's comment. She does not think the wine and spirits industry should be offered the option to create their own system.

Chair Sanborn further supported the comments of Commissioner Kalpakoff and Dell, adding that it would be ideal for the Bottle Bill to be more convenient before expanding it.

Commissioner Ward said that adding wine and spirits to the CRV program has been proposed for decades without success. He noted that the Commission should think how this proposal is different from previous proposals as the Commission's proposal is unlikely to change the previous outcomes. He also suggested pursuing strategies that fostered reuse of bottles, specifically wine bottles.

Commissioner Donlevy noted that one of the reasons for pushback by wine and spirits industry is them noting the problems with the Bottle Bill. He believes that the Commission should not delay this proposal until the Bottle Bill is fixed but rather provide them with the option to create their own program or join and work to help fix the Bottle Bill.

Commissioner Oseguera supports the changes noted by Commissioners Kalpakoff, Dell, and Sanborn. Chair Sanborn clarified that Commissioner Oseguera supports the suggestions about removing the option for a voluntary system, adding the nips, citing sources, and adding wine and spirits to the CRV program.

Commissioner Skye suggested adding language encouraging refillable containers for the wine and spirits industry.

Commissioner Donlevy noted that he supports identifying sources for the data and redirecting the policy to a mandate rather than an option. He also noted that he does not think that refillables should be addressed in this proposal because it has already been addressed through legislation and not including it creates a more concise proposal.

Commissioner Skye clarified that his suggestion was to add language to the background of this proposal to highlight reduce and reuse since they are at the top of the hierarchy, including potential GHG benefits. This will provide additional context supporting the need for the proposed recommendations.

Commissioners approved the amendments as discussed.

Carbon Farming (Ward)

Commissioner Ward gave a brief overview of the revisions to the Carbon Farming policy which had been included in the January 2021 report. Language was added to acknowledge the California Department of Food and Agriculture's Healthy Soils Initiative.

Commissioners voted to approve the proposal for inclusion in the December 2021 report.

Gypsum Recycling (Sanborn and Toyoda)

Chair Sanborn updated the Commission that she and Commissioner Toyoda have been working with the Gypsum Association. She noted that an update to the Gypsum policy will not be added to the December 2021 report but will be brought back to the Commission for inclusion in a future report.

Public Comments (see Appendix 1 for full public comment):

- Pamela Bond
- Lauren De Valencia
- Gail Brice

Agenda Item 6: Next Meeting and Agenda Items for Future Meetings

Chair Sanborn announced that she has a conflict with the upcoming December 15, 2021 meeting and proposed to start the meeting at 8am, instead of 9am.

The next meeting will be held on December 15, 2021 from 8 am to 11am.

At the next meeting, the Commission will have an agenda item to discuss CalRecycle's education and outreach. Additionally, they will go over any remaining proposals that will be included in the December report as well as the preface letter for the report.

Commissioner Ward noted that the preface letter will be a short one-to-two-page letter highlighting updates included in the December report.

The Commission will also host one meeting in January, on January 19th from 9am to 12 pm.

Chair Sanborn mentioned that the Commission will also take up the discussion that Commissioner Donlevy requested to discuss the structure of the Commission and meeting times moving forward in 2022.

Public Comments: None

Agenda Item 7: Data Review and Requests

Chair Sanborn noted that CalRecycle provided an update on the two outstanding data requests and it has been uploaded to the Commission's Google Drive.

Commissioner Donlevy noted the comment from Susan Collins about the beverage container recycling fund. He proposed an additional data request to CalRecycle about the status of the beverage container recycling program fund. After discussion with the Commissioners, the data request was clarified to be: Can CalRecycle provide quarterly updates to the Commission on the fund balance of the beverage container recycling

fund? Specifically, the Commission would like an update of the actuals by quarter, instead of projections. Commissioner Donlevy noted that CalRecycle is not updating the data on the fund balance fast enough and would like to see more frequent updates of the fund balance.

Chair Sanborn also made a data request for CalRecycle to provide the 2020 recycling rate to the Commission.

Public Comments: None

Agenda Item 8: Meeting Summary and Closing

The meeting was adjourned at 11:48am.

Public Comments: None

Appendix 1: Public Comments

Erin Hall (1), American Forest & Paper Association

The American Forest & Paper Association (AF&PA) opposes the Statewide Commission on Recycling Markets and Curbside Recycling's proposal on Fiber Policy. This proposal: (1) Contradicts the fact that North American forests, including boreal forests, are healthy and sustainable; (2) Ignores existing forest certification and chain of custody programs which successfully address sustainability concerns for North American forests and; (3) Would establish post-consumer content requirements for the tissue sector that are both not practically achievable from a manufacturing stand-point, and would undermine the utility of essential products including facial tissue, bathroom tissue, paper napkins, paper towels, and general purpose industrial wipes. The paper and wood products industry promotes and practices sustainable forestry because it depends on sustainable forests and forest growth. AF&PA strongly supports recycling efforts and improved sustainability, and we look forward to further engaging with you on this issue. AF&PA will submit a letter outlining our concerns in greater detail for the Commission to consider prior to the next meeting, and we appreciate your taking into account stakeholder input on certification standards and technical considerations related to California's recycling goals. AF&PA serves to advance a sustainable U.S. pulp, paper, packaging, tissue and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative — Better Practices, Better Planet 2030. The forest products industry accounts for approximately four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 men and women. The industry meets a payroll of approximately \$55 billion annually and is among the top 10 manufacturing sector employers in 45 states. In California, the industry employs more than 55,000 individuals in nearly 450 facilities.

Erin Hall (2), American Forest & Paper Association

The American Forest & Paper Association (AF&PA) opposes the Statewide Commission on Recycling Markets and Curbside Recycling's latest proposal on Fiber Policy. This proposal: (1) Replicates and expands on 2021 legislation (AB 416) that was rejected by Governor Newsom due to concerns about unintended consequences of the policy; (2) Establishes post-consumer content requirements for tissue products that are not practical from a manufacturing standpoint; (3) Establishes post-consumer content requirements for tissue products that would undermine the utility of essential products; (4) Creates minimum recycled content mandates that could result in negative economic and environmental consequences; and (5) Contradicts the fact that North American forests, including boreal forests, are healthy and sustainable. The paper and wood products industry promotes and practices sustainable forestry because it depends on having sustainable forests and forest growth. AF&PA strongly supports recycling efforts and improved sustainability, and we look forward to further engaging with you on this issue. AF&PA has submitted a letter outlining our concerns in greater detail for the Commission to consider prior to the next meeting, and we appreciate your consideration of stakeholder input on technical considerations related to California's recycling goals.

John Hewitt, Consumer Brands Association

November 29, 2021 Statewide Commission on Recycling Markets and Curbside Recycling California Department of Resources Recycling and Recovery P.O. Box 4025 Sacramento, CA 95812-4025 Re: Opposition to Fiber Policy Proposal Dear Commission Members: On behalf of the Consumer Brands Association, we are writing in opposition to the Fiber Policy proposal currently being considered by the Commission. If adopted by the legislature, the proposal would require all tissue products for sale in California to comply with increasing minimum percentages of recycled content. By January 1, 2030, this would require all tissue products to include a minimum of 90 percent recycled content. Failure to comply with these stringent, unsustainable requirements would result in an in an increasing sliding scale of monetary penalties. The Consumer Brands Association champions the industry whose products Americans depend on every day, representing more than 1,700 iconic brands. The household, personal care, food, and beverage products manufactured by the consumer-packaged goods (CPG) industry contribute \$2 trillion to the U.S. economy and support more than 20 million American jobs. The CPG industry is a vital stakeholder and partner on sustainability issues, and we are committed to find scalable and impactful market-based solutions to improve our recycling system. However, while we understand the positive intent behind the proposal, we believe the Commission's recommendations, if adopted, would do more harm than good. First, the proposal's premise ignores the fact that North American forests are healthy and sustainable thanks to industry best-practices and existing regulations. Our region is home to a mosaic of healthy forests that have been stable for more than 100 years. The forestry and paper industry understands the importance and responsibility of

maintaining the health of our forests through sustainable forest growth and conscientious stewardship of resources. During the manufacturing process, every part of the tree is responsibly used to avoid resource waste. Using paper products incentivizes replanting trees and decreases the likelihood that forestlands are converted to other uses such as parking lots or subdivisions. Furthermore, industry best-practices include robust forest certification programs that provide standards, or guidelines and structure, for sustainable forest management and fiber sourcing. Second, the post-consumer content requirements specified in the proposal are not practical from a manufacturing standpoint. Recycled and fresh fiber play complementary roles in the production of tissue products. The U.S. tissue industry is a major consumer of recovered paper and depends on it as a key fiber source – just in 2020, over 3.7 million tons of recovered paper were utilized by U.S manufacturers to produce 7.9 million tons of new tissue products (47.2% utilization rate). However, some categories of recovered fiber are more suitable for reuse in specific new products than others. The quality of the recycled fiber can have a significant impact on end-product attributes such as brightness, bulk, absorbency, and strength. Ensuring that products – especially tissues which are used in essential settings such as hospitals, schools, airports, office buildings, and on-the-go – meet quality thresholds is key in determining the appropriate type and amount of recovered fiber. To meet appropriate quality thresholds, the tissue industry mostly relies on “High Grade Deinking” recovered fiber, which is one of the highest quality recovered fibers in the market. However, due to changing consumer behavior and office trends, as well as a shift in paper collection systems towards single-stream recovery, the composition of U.S. recovered paper has changed significantly over the past decade, with High Grade Deinking fiber availability declining precipitously. The Commission’s proposal asks the tissue industry to significantly increase recovered fiber use in a market where availability for recovered fiber suitable for these products is declining. In addition, existing manufacturing constraints should not be overlooked. For example, the manufacture of premium brand tissue is largely achieved with technology designed to most efficiently utilize fresh fiber as the primary fiber source. The environmental impact of increasing recycled fiber content in this equipment would result in greater water and energy use, and considerable amounts of solid waste. Third, established post-consumer content requirements for tissue products would reduce consumer choice and undermine the utility and quality of essential products. As mentioned earlier, the type and amount of recovered fiber used can have significant impacts on a product’s key qualities. Consumers currently have many different tissue options to choose from depending on their values and personal needs. For consumers who choose premium at-home tissue brands, fresh fiber is the primary material needed to achieve the desired properties of strength, softness, durability, and absorbency. The high-performance attributes of these premium tissues may even result in less waste, as consumers need less material to complete their desired task, such as wiping down a household surface. Fourth, minimum recycled content mandates create unintended negative economic and environmental consequences. The proposal would divert recovered paper from its most economic and environmentally efficient utilization in

producing new packaging products towards tissue products. This decrease in efficiency would result in increased waste and a greater environment impact, running counter to the Commission's intended goals. While there are clear environmental benefits to recycled paper, the assumption that more recycled content in paper products is always better is flawed. Further, a shift, due to a government mandate, in where recovered fiber is used would not necessarily lead to an aggregate increase in the use of recovered fiber. While we acknowledge the positive intent behind the Commission's proposal, we believe it ignores the complex dynamics of the recycling market and manufacturing process for tissue products. The proposal, if adopted, would do more harm than good by reducing consumer choice, disrupting the paper recycling market, and increasing inefficiencies in recovered fiber use. Therefore we recommend its withdrawal. Sincerely,
John Hewitt

Beth Percynski, P&G

On behalf of The Procter & Gamble Paper Products Company (P&G), I am writing in opposition to the fiber policy being proposed by the Statewide Commission on Recycling Markets and Curbside Recycling ("Commission"), which would require all tissue products sold into the state of California to include no less than 90 percent recycled content by 2030. P&G shares the concerns the American Forest and Paper Association (AF&PA) outlined in their letter to the Commission, namely that the proposed policy:

- Contradicts the fact that North American forests, including boreal forests, are healthy and sustainable
- Establishes post-consumer content requirements for tissue products that are not practical from a manufacturing standpoint
- Establishes post-consumer content requirements for tissue products that would undermine the utility of essential products
- Creates minimum recycled content mandates that could result in negative economic and environmental consequences

David Marshall, Resolute Forest Products

November 30, 2021 Statewide Commission on Recycling Markets and Curbside Recycling State of California Submitted online via CalRecycle portal
<https://www2.calrecycle.ca.gov/Forms/Feedback/PublicComments> Re: Policy 21-06: Fiber products recycled content requirements Dear Commissioners: I am writing in regard to the commission's policy recommendation to require 100% post-consumer recycled content of all personal care fiber derived products sold in California. The policy ignores both the legislature and the administration's acknowledgment of the sustainable nature of fiber sources from boreal forests, and would significantly expand potential impacts to the recovered fiber market. Adding recycled content is often seen as an environmental quick fix, but the surprising truth is this is not always the case. If you consider the total environmental footprint of recycled products, including the transportation of raw materials and the use of chemicals, at times it can be more environmentally advantageous to use virgin fiber. Furthermore, fiber strands can only pass through the recycling process a certain number of times. Fibers lose their strength with each round of recycling, becoming shorter and shorter until they can no longer be

used to manufacture products. Continuing input of virgin fiber is required to sustain the cycle. Canada is a world leader in sustainable forestry and our forest management regulations are amongst the most stringent in the world, with a rigorous framework for forest management and science-based considerations for wildlife and forest ecosystems. Forest cover in Canada has remained stable over the last two decades, 77% of the country's managed forests are third-party certified, and about 70% of these certified lands are in the boreal region. The policy would impact the ability of the Canadian forest products industry to provide essential, everyday products to the state. By law, Canada's foresters replace what they harvest, and plant the equivalent of 1,000 trees every minute. In 2020, 600 million seedlings were planted across the country. Canada has retained more than 90% of its original forest cover and has about 9,000 trees for every Canadian. The policy proposal is a misguided attempt to protect Canadian forests that will instead: 1. Replicate and expand on 2021 legislation (AB 416) that was rejected by Governor Newsom due to concerns about unintended consequences of the policy; 2. Establish post-consumer content requirements for tissue products that are not practical from a manufacturing standpoint; 3. Establish post-consumer content requirements for tissue products that would undermine the utility of essential products; 4. Create minimum recycled content mandates that could result in negative economic and environmental consequences; and 5. Contradict the fact that North American forests, including boreal forests, are healthy and sustainable. Resolute Forest Products is a global leader in the forest products industry with a diverse range of products, including market pulp, tissue, wood products and papers, which are marketed in over 50 countries. The company owns or operates some 40 facilities, as well as power generation assets, in the United States and Canada. We have received regional, North American and global recognition for our leadership in corporate social responsibility and sustainable development, as well as for our business practices. Please visit Awards and Recognition for more information. Our industry has long recognized the value of the natural resources we require to produce our products, and we work to protect and sustain these critical resources while minimizing our environmental footprint. I am proud to point to Resolute as an example of this stewardship:

- Forestry and fiber sourcing At Resolute, we ensure that 100% of the woodlands we manage are third-party certified to at least one internationally recognized certification standard: the Sustainable Forestry Initiative® (SFI®) and/or the Forest Stewardship Council® (FSC®). 100% of our manufacturing facilities have a chain of custody tracking system compliant with SFI, FSC or the Programme for the Endorsement of Forest Certification (PEFC) – or are in the process of completing certification under one of these regimes – all of which require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues.
- Working with stakeholders We engage with stakeholders in a variety of ways in order to better understand their interests, concerns and goals. Key stakeholders include business and community leaders as well as state and provincial officials and Indigenous Peoples. We have ongoing consultative relationships and business partnerships with close to 40 Indigenous communities and

organizations. • Wildlife conservation and biodiversity In addition to our forest management plans, Resolute has adopted strategies to safeguard biodiversity. They include identification of protected areas, implementation of selected management practices, and natural and planted forest regeneration. We are also committed to developing key strategic partnerships across our operations. • Managing our carbon footprint Since year-2000, Resolute has reduced our absolute greenhouse gas (GHG) emissions (scope 1 and 2) by 85%. In March of 2021, we announced a new commitment to reduce absolute GHG emissions (scope 1 and 2) by 30% against 2015 levels by 2025. By achieving this updated target, the company will have reduced its emissions by nearly 700,000 metric tons of CO2 equivalents per year compared to its 2015 level. We appreciate the Commission acknowledging our industry's success at establishing voluntary, market-based solutions for paper recycling and recovery. Paper is a recycling success, and the paper recycling rate in the U.S. has grown over the decades, meeting or exceeding 63% since 2009. We also applaud the Commission's goals for advancing sustainability in California. However, the proposed policy would disrupt the success of paper recycling and create duplicative and unnecessary requirements for forest protections already in place. The forest and paper industry currently delivers recycled products to the hands of consumers in a highly efficient and market-based approach. I respectfully urge you to reconsider this policy proposal. Sincerely, Seth Kursman Vice President, Corporate Communication, Sustainability and Government Affairs

Robert Spiegel, California Manufacturers & Technology Association (CMTA)

November 30, 2021 California Statewide Commission on Recycling Markets and Curbside Recycling Re: Opposition to Fiber Policy Proposal Dear Members of the Commission: The California Manufacturers & Technology Association (CMTA) is writing in opposition to the Fiber Policy proposal currently under consideration by the Statewide Commission on Recycling Markets and Curbside Recycling (Commission). The proposal recommends that the Commission prioritize the drafting of legislation requiring all tissue products sold in California comply with a no less than 90 percent recycled content mandate, among other labeling requirements and a punitive monetary penalty for alleged violations. CMTA is opposed to this potential policy for the reasons discussed below and would appreciate the opportunity to further discuss our objections with members of the Commission when appropriate. Proposal is More Expansive than Previous Legislation We were pleased to hear that the Commission would update the policy proposal background to include relevant legislative history on this matter. While true that the California Legislature moved Assembly Bill 416 (Kalra, 2021) in the most recent legislative session, it can be hardly described as a unified effort to address global deforestation. At best, AB 416 was controversial, and was indicative of a greater need to further examine the alternatives, financial implications, supply chain considerations and international relationships before moving ahead with such a legislative proposal. The Commission should be aware that prior to AB 416, a

substantially similar bill, Assembly Bill 572 (Kalra, 2019), was also introduced and ultimately held by the legislature in the Senate Appropriations Committee. As accurately stated during the November 17, 2021 Commission meeting, the current proposal is far more expansive than previous legislative iterations. Prior legislative versions were not applicable to private industries (other than those contracting with the State of California), nor did either proposal contain provisions related to increasing the recycled material content of all products sold in in the State of California or punitive monetary penalties for violations of minimum recycled content requirements. Further, neither legislative proposal required the creation of a labeling system for single-use products or created new programmatic responsibilities for CalRecycle. Fundamentally, a legislative proposal of this magnitude and bearing no similarity to either previously introduced legislation, requires further collaboration with regulatory staff, key stakeholders, and other interested parties. To our knowledge, this outreach was not conducted and certainly does not send positive signals to industry that the Commission is willing to establish a dialogue with those who may be impacted by such a proposal.

Commission's Proposal Background It was most disappointing to see the Commission's own analysis rely so heavily from a 2019 report entitled, *The Issue With Tissue: How Americans Are Flushing Forests Down the Toilet*, jointly authored by the Natural Resources Defense Council (NRDC) and Stand.Earth. While there is always a degree of intellectual curiosity and discovery when sourcing information utilized in policy development discussions, the Commission's proposal background falls woefully short. The Commission's proposal contains a section dedicated to discussing virgin fiber versus recycled content (Policy 21-06: Page 3). Our objection is that nearly the entire section dedicated to this topic, which is one of the foundational arguments for moving forward with the policy recommendation, is plagiarized from pages 12-13 of the 2019 NGO report. Members of the Commission should be aware that the stated goal of the 2019 report was to: "[...] provide an overview of the major tissue brands and reveals the worst corporate offenders driving boreal degradation. It describes the environmental effects of virgin pulp production and the United States' strong reliance on tissue products and grades leading brands in the United States based on their impacts on forests [...]" We believe that a state level Commission should be impartial when policy proposals are being considered. At the very least, Commission analyses should provide a construct that objectively weighs all sources of information on a particular policy topic as a means of better informing the public and other commissioners of the policy under consideration. Further, given that the 2019 NGO report also makes claims regarding specific companies and the recycled content of their products, it would behoove the Commission to independently seek out this information to verify its accuracy, and for other educational purposes, instead of relying on a secondary source. **Ignores Concerns of the Administration and International Partners** As previously discussed, AB 416 (Kalra, 2021) was vetoed by Governor Newsom on October 5, 2021. In part, Governor Newsom's veto message indicated that, "[The] bill's extensive requirements would create a significant burden on California businesses – particularly small business [...]" It is our belief the Fiber Policy proposal is far more burdensome for not just small

businesses, but all California businesses, and ignores the concerns raised by Governor Newsom in his veto message. Additionally, the Fiber Policy proposal is a workaround to again include boreal forests. Members of the Commission should be aware that all provisions relating to boreal forests were removed in the California Senate during the legislative committee process due to opposition from the Consulate General of Canada. When vetoed, AB 416 only applied to supply chains that were impacted via tropical deforestation and degradation, yet with still some ambiguity. There are numerous considerations that have been inadvertently overlooked by the Commission that not only place California at odds with significant international partners in addressing climate change, but also directly contradict the Governor's veto message. We believe that the Fiber Policy proposal is more problematic than previous legislation, and further complicates progress in achieving sustainability. Conclusion CMTA appreciates the opportunity to comment on the Commission's Fiber Policy proposal. While CMTA is committed to achieving greater levels of sustainability as an industry, and in the utilization of our natural resources, it is imperative that we approach these discussions with the totality of information and data to justify an action. The complexity of source inputs, competing sustainability practices, climate change considerations and minimizing carbon emissions all play significant parts within our respective industries. CMTA and its broader membership are willing to assist the Commission and provide our expertise as industry leaders to establish a productive dialogue surrounding this issue. We are a partner, not an adversary, in helping California achieve workable solutions to our sustainability challenges. As such, we respectfully request the Commission withhold any formal action on this policy. Respectfully, Robert Spiegel Senior Policy Director

John Mulcahy, Georgia-Pacific LLC

Georgia-Pacific is one of the world's leading makers of tissue, pulp, paper, packaging, building products, and related chemicals, with around 30,000 employees worldwide. Approximately 790 employees work in 7 facilities across the State of California. We are one of the world's largest consumers of recycled paper, utilizing approximately 2.5 million tons of recovered paper a year to produce GP products. GP Recycling manages the sale of approximately 6 million tons of recovered paper annually into the global market. Based on our significant experience with fresh and recovered fiber and product markets globally, we are writing in opposition to the California Statewide Commission on Recycling Markets and Curbside Recycling proposal to require all tissue products sold into the state of California to include no less than 90 percent recycled content by 2030. These requirements are unnecessary and would have significant unintended but not unforeseeable consequences including the creation of manufacturing inefficiencies. In fact:

- Forestry practices employed by North American manufacturers are sustainable and help avoid deforestation and biodiversity loss.
- The recovery and recycling of paper is a mature market that developed without the assistance of government mandates, demonstrating that recycling is complimentary to fresh paper production.
- The tissue products used in at home environments (retail) are different than those used in commercial environments (away from home) such as office buildings, schools, and

restaurants. While away from home tissue is largely made of recycled content today, requiring high levels of recycled content in retail tissue will shift the existing supply of recovered paper away from assets that were designed to utilize it to those that would have significant difficulty using it. Forestry practices in North America are sustainable. As a company that does not own forestland, Georgia-Pacific takes steps to assure our customers and consumers that we are legally and responsibly sourcing the wood and fiber we use in our mills. Although the significant majority of wood fiber used by Georgia-Pacific is grown in the United States, we do source wood and wood pulp in Canada for a building products facility in Ontario and for use in our Consumer Products operations in the U.S. Canada has some of the most stringent forestry laws in the world. For example, the Ontario government requires forest products companies to replant and restore land in accordance with a 10-year forest management plan approved by the provincial government. Deforestation, to the degree that it happens in Canada, is driven by alternative uses of land and not by the forest products industry. Harvest Blocks are planned under the application of the Province of Ontario's Forest Management Guide for Boreal Landscapes designed to mimic the natural disturbance caused by forest fires and insect infestation. Due to these natural disturbances, tree age in the boreal is mostly less than 120 years. This region is generally viewed as old growth due to the age of the intact forest and not the age of the trees themselves. Where it operates within Canada's boreal region, Georgia-Pacific will actively support collaborative and science-based efforts to identify, map and protect endangered forests, help achieve the recovery of species at risk, including woodland caribou, and continue to support collaboration and dialogue to recognize and respect indigenous peoples' rights and traditional knowledge. Paper recycling is a mature market and an important part of our existing supply chain. Recycling and the use of recycled material complement healthy forests by providing environmental benefits through reducing pressure on U.S. landfills, and the American pulp & paper industry leads the way. According to the American Forest & Paper Association (AF&PA), more than 65% of the tons of paper manufactured in 2020 was recovered for recycling (more than 47 million tons). That is almost a 100% increase from a recovery rate of 34% in 1990. The U.S. paper industry produces various products that provide societal benefits ranging from communication, hygiene, convenience, product protection, and the serving of food, amongst others. The industry requires a mix of sustainably harvested fresh wood and recovered fiber to sustain itself. Wood fiber degrades each time it is processed and can only effectively be used a limited number of times before it degrades to the point that it can't be used further. Fresh, or virgin, fibers are best used in grades that require strength, absorbency, hygiene, and color. Grades such as food packaging and retail tissue paper require these properties and are largely made from fresh wood fiber. Conversely, markets have naturally established high recycled content levels for away-from-home tissue, newsprint, and shipping containers. Each grade of paper uses virgin and recovered fiber inputs based on its required properties and recovered paper grades follow those cascading requirements. Market forces are working effectively, and government intervention is neither necessary nor helpful. Retail and away from home markets are different. It's

important to point out that away from home and retail tissue have different consumer quality expectations, product dimensions, product dispensing requirements, and raw material use. They are manufactured on different assets and fungibility between these formats is limited. As office and school closures in 2020 caused most Americans to stay at home, we saw significant supply chain challenges in bath tissue and paper towels. The limited capability to move capacity from one format to the other was insufficient to meet this change in demand. Mandating the sale of retail tissue products containing recycled content would result in a number of unintended consequences while not increasing paper recovery rates or improving the sustainability of forestry. Inefficiencies would be created as recovered fiber is diverted from the manufacture of other grades to the manufacture of retail tissue. Tissue mills built for and optimized around processing new wood will need to bring in pulp made from recycled fiber, while mills that use recycled fiber would have to replace this supply by purchasing baled virgin pulp, sub-optimizing both industries. Further, while recycled tissue mills are capable of processing a wider array of recovered paper grades, mills producing retail tissue can only access a small portion of the recovered paper market as the most plentiful grades, including old corrugated containers, old newspapers, and mixed paper, are unsuitable for the production of retail tissue, as they cannot meet the consumer-demanded attribute requirements including absorbency, softness, and strength.

Becky Chavez, Clearwater Paper Corporation

From: Clearwater Paper Corporation 601 West Riverside, Suite 1100 Spokane, WA 99201 November 30, 2021 To: Statewide Commission on Recycling Markets and Curbside Recycling CalRecycle Sacramento, CA 95814 Re: Opposition to Fiber Policy Proposal Dear Members of the Commission: On behalf of Clearwater Paper Corporation, we are writing today to respectfully submit comments and information in opposition to the June 21st Fiber Policy Proposal mandating recycled tissue products in California, which is being considered by the Commission. Clearwater Paper is a nationwide supplier of private brand tissue products to major retailers, including grocery, drug stores, mass merchants and discount stores. Our company also makes paperboard for use in a variety of packaging. Our West Coast manufacturing facilities have been supplying store brand private label tissue products to California grocery stores for generations. Some of our earliest and most valuable customers are the homegrown California chains you probably frequent and know well. For background, Clearwater Paper does not own any forestland and we obtain all wood fiber and pulp from well-known and reputable sources. Our customers expect that the products we supply are environmentally sound. As the first U.S. company to offer FSC® certified paperboard across our full product line and the first to offer consumer FSC® certified tissue in private label, we have long been at the forefront of understanding and communicating the importance of forest certification programs. Our sourcing commitments are critical in ensuring that the impacts to biodiversity in our supply chain are transparent and minimized. All of our paper products are available with Forest Stewardship Council (FSC®), Sustainable Forestry Initiative (SFI®) or Programme for

the Endorsement of Forest Certification (PEFCTM) certification. As part of our support of sustainable forestry practices, we use chain-of-custody certified and controlled wood—meaning we maintain 100 percent of our pulp as certified or controlled wood from known sources. We always know where our fiber comes from. We are committed to working with our suppliers to ensure certification standards are followed, through contracts and supply agreements, and an annual audit process. We also include a contractual requirement that our suppliers specifically comply with the Lacey Act, which is a conservation law in the United States that prohibits trade in wildlife, fish, and plants that have been illegally taken, possessed, transported, or sold. As an active member of the American Forest and Paper Association, we support AF&PA's submitted areas of concern that the proposal: 1. Contradicts the fact that North American forests, including boreal forests, are healthy and sustainable; 2. Ignores existing forest certification and chain of custody programs which successfully address sustainability concerns for North American forests; 3. Would establish post-consumer content requirements for tissue products that are not practical from a manufacturing stand-point; 4. Would establish post-consumer content requirements for tissue products that would undermine the utility of essential products, and; 5. Creates minimum recycled content mandates that could result in negative economic and environmental consequences. Clearwater Paper supports the use of recovered fiber in our products, and we continue to find ways to incorporate more. Today, most of our tissue products are made from certified virgin fiber that comes from well-managed, verified forests. We applaud advancing sustainability goals of California; however, we believe a 90 percent recycled content goal is not achievable or an environmentally sound choice for use in some products. We also believe legislation requiring post-consumer recycled content in tissue products should be based on environmental facts on their own, and that sustainably sourced fiber exists today and producers are actively utilizing such fiber to supply sustainable tissue products to meet the essential hygiene needs of millions of Californians. Clearwater Paper has a strong legacy of prioritizing the sustainability of both the products we make and the way we make them. We are committed to providing high quality, safe and sustainable tissue products. Thank you for your time and consideration regarding this issue. Sincerely, Joanne Shufelt Senior Vice President—General Manager Consumer Products Division

Joel Neuheimer, Forest Products Association of Canada

November 30, 2021 Statewide Commission on Recycling Markets and Curbside Recycling State of California Submitted online via CalRecycle portal
<https://www2.calrecycle.ca.gov/Forms/Feedback/PublicComments> Re: Opposition to Policy 21-06: Fiber products recycled content requirements Dear Commissioners: On behalf of the members of Forest Products Association of Canada (FPAC) and Canada's 226,000 forestry workers from across the country, I am writing to you out of serious concern regarding the fiber policy proposal that is currently before the Commission that does not consider Canada's commitment to sustainable forest management and production. This proposal recommends that the legislature considers requiring that all

tissue products for sale in the state shall comply with increasing minimum percentages of recycled content, culminating in a requirement that on or after January 1, 2030, all tissue products for sale in the state shall include no less than 90 percent recycled content. Further, the proposal recommends monetary penalties based on an increasing sliding scale and would also establish a labeling system for single-use products. If passed as currently written, this proposal could prove to be an unnecessary non-tariff barrier to Californian imports of Canadian tissue products. To be clear, FPAC fully supports the proposed intention of promoting stringent environmental safeguards. However, we are concerned that legislators might not be aware of the context within which Canadian forestry and manufacturing occurs. We ask you to amend the proposal to remove references to the boreal and recognize products from Canadian forests as products that can be trusted as being ethically and sustainably sourced, of high quality, and critical to achieving a lower carbon economy. Key Areas of Concern FPAC has several areas of concern, including how the proposal:

1. Unfairly contradicts the fact that North American forests, including boreal forests, are healthy and sustainable
2. Establishes post-consumer content requirements for tissue products that would undermine the utility of tissue products
3. Creates minimum recycled content mandates that could result in negative economic and environmental consequences

Key Concerns Elaborated 1.) This proposal unfairly contradicts the fact that North American forests, including boreal forests, are healthy and sustainable. Sustainably managed forests and renewable forest products are powerful tools to fight our changing climate. In North America there are a mosaic of healthy forests, wherein growing, harvesting, replanting, and regrowing forests occurs as a standard practice. Forestlands in North America have been stable for more than 100 years. The industry responsibly uses every part of the tree to make essential products for everyday life. Using paper and wood products incentivizes replanting trees after harvest and keeping land in forests, decreasing the likelihood of conversion to other uses like parking lots. The Government of Canada's most recent State of Canada's Forests Report 2020, published by Natural Resources Canada, confirms that Canada's forests are among the best-managed on the planet and that we do not have a deforestation problem in Canada. Data in this report demonstrates that Canada's forests are sustainably managed and will remain so for the long-term (<https://www.nrcan.gc.ca/our-natural-resources/forests-forestry/state-canadas-forests-report/16496>). A big difference between forest management in Canada versus the United States is the ownership of the land base. While the large majority of forests in the United States are on private land, ninety percent of the lands upon which Canadian forest sector companies operate are on public land – under the purview of provincial governments. Our forests are working forests and forest management plans are developed considering 100-to-200-year time frames. Our forests are managed for multiple environmental, economic, recreational, and cultural values based on science and input from members of local communities. The laws and regulations we operate under in Canada are among the most stringent in the world and we replace more than what is harvested so we can keep forests as forests forever. Canada is proud to be a country that has retained 90% of its original forest cover. Above and beyond our federal

and provincial laws and regulations, Canada is home to the most third-party certified forests in the world. Canadian wood and wood products certified under any of the three internationally recognized certification programs currently used in Canada (i.e. Canadian Standards Association (CSA), Forest Stewardship Council (FSC), and Sustainable Forestry Initiative (SFI)) can help fulfill the intent of this proposal. All three systems take into account global forestry issues as well as circumstances specific to the Canadian landscape, such as biodiversity, wildfire and pest risks, forest health, the livelihood of local communities, and the interests of Indigenous peoples and communities. All certification systems promote responsible forest management through the conservation of biological diversity, maintenance of wildlife habitat and species diversity, protection of special sites, soil and water, and sustainable harvest levels. Canadian forests are protected from illegal logging, laws and rights are observed, input is obtained from multiple stakeholders, there is public reporting, and audits by independent third parties are required. For more detailed information on how the certification systems used in Canada promote responsible forest management, please see: www.certificationcanada.org Canada's forests sector is a critical partner in our country's post-pandemic green economic recovery and our forest management and forest products solutions are central to Canada's efforts to secure a net-zero carbon economy by 2050. For these environmental, social, and economic reasons, it is important that the benefits of Canadian forestry are understood by our trading partners.

2.) Minimum recycled content mandates undermine the utility of tissue products Consumers have a wide range of options available among multiple tissue product brands that align with their preferences and values, including products made with high recycled content and alternative fiber. For consumers who choose premium at-home tissue brands, fresh fiber is the primary raw material needed to achieve the desired properties of strength, softness, and absorbency. This is a performance constraint for recycled paper, as the fibers are shorter, thinner, and weaker than fresh fiber. As consumers use tissue products to maintain hygiene, clean surfaces, and manage germs, the high performance characteristics of strength and absorbency in premium tissue products provides the opportunity to reduce waste during product use, as less of the product may be necessary to achieve the same results compared with tissue products with lower performance specifications. Canadian tissue manufacturing companies produce high quality tissue-grade that meet a range of consumer needs. Unrealistic recycling content requirements specific to California may close doors to Canadian tissue products. This would consequently impact the supply chain, and reduce consumer product choices.

3.) Minimum recycled content mandates create negative economic and environmental consequences FPAC believes it is important that policy makers understand the market trends that affect paper recovery and utilization of recovered fiber in new paper products so that government policies align with market realities and are more likely to achieve their intended goals. Recovering paper for recycling has multiple environmental benefits. Diverting paper from landfill avoids greenhouse gas emissions (primarily methane) that contributes to climate change. In addition, utilizing recovered fiber in products extends the fiber supply and saves landfill

space. While recycled paper has clear environmental benefits, the assumption that more recycled content in paper products is always better is flawed; economics and the science of sustainability shows the answer is not that simple. The benefits of replacing virgin fiber with recycled fiber in paper products, however, can vary widely. FPAC does not support government mandates that specify a minimum recycled content in paper products. Our industry has a material recovery and recovered fiber utilization track record far greater than any other major commodity, and our market-based infrastructure supports continued recycling rate growth. Minimum recycled content policies may be appropriate or effective in products where the prevailing recovery rate is low, or where markets for that recovered material are in their infancy, but in mature, complex, robust and dynamic markets such as recovered paper, such policies are likely to result in negative economic and environmental consequences than intended. These consequences include:

- Forcing recovered fiber to uneconomic end uses, creating inefficiencies and potential increases in environmental impacts
- Shifting fiber from one product group to another, with no aggregate increase in utilization
- Increased virgin fiber use in some products that currently use recovered fiber
- Less paper recovery as a result of market disruption

The proposed policy would divert recovered paper from its most economic and environmentally efficient use in producing new packaging products, to utilization in tissue products. The result would be simply swapping fiber from one end use to another, as well as inefficient use of the recovered material, increased waste, and create a larger environmental footprint, which is counter to the intent of the policy. There is no need for Californian policy makers to artificially stimulate demand for recovered fiber. Changes in the marketplace have overtaken the need for extraordinary government measures to stimulate paper recovery or create markets for recovered content in paper products. Recovered fiber markets are robust and highly complex and move at speeds far faster than government policies can address, no matter how well intended. The upheaval in the recycling markets beginning in 2017 with the China National Sword import policy has essentially reversed, with strong demand for recovered fiber returning in the global markets and values of recycled materials regaining or exceeding pre-China Sword levels. Global demand for recovered fiber is increasing, and outpacing the rate of paper product production, negating the need for government policies to stimulate demand for recovered paper. Domestically, recycled fiber demand is increasing, and major investments in manufacturing capacity by the paper industry for recycled pulp and packaging paper will further drive new market demand for recovered paper. We appreciate the Commission acknowledging our industry's success at establishing voluntary, market-based solutions for paper recycling and recovery. Canada recycles almost 70% of its paper and cardboard, making it among the top paper recycling countries in the world. The national recovery rate of old corrugated boxes in Canada is estimated at 85%.

Conclusion While we applaud advancing sustainability goals of California, we believe the proposed policy would disrupt the success of paper recycling, which currently delivers recycled products to the hands of consumers in a highly efficient and market-based approach, and would create duplicative and unnecessary requirements for forest protections already in place. We

stand ready to assist you and offer our expertise to support constructive dialogue on this important issue. Please feel free to contact us for further information. We would appreciate an opportunity to discuss with you how we can work together to ensure that this proposal recognizes that products from Canadian forests can be trusted as being ethically- and sustainably sourced, of high quality, and critical to achieving a lower carbon economy. For more information on how our member companies are providing environmental solutions, we invite you to explore FPAC's post-pandemic green recovery report: [https://www.fpac.ca/wp-content/uploads/12-09-](https://www.fpac.ca/wp-content/uploads/12-09-20_FPACPandemicRecoveryReport_EN.pdf)

20_FPACPandemicRecoveryReport_EN.pdf Sincerely, Joel Neuheimer Mahima Sharma Vice-President, International Trade, Director, Environment, Innovation, and Transportation, HR, and Corporate Secretary Mill Regulations cc: The Honourable Chrystia Freeland, P.C., M.P. Deputy Prime Minister and Minister of Finance The Honourable Mélanie Joly, P.C., M.P. Minister of Foreign Affairs The Honourable Mary Ng, P.C., M.P. Minister of Small Business, Export Promotion and International Trade The Honourable Jonathan Wilkinson, P.C., M.P. Minister of Natural Resources Ian D Shugart, Clerk of the Privy Council and Secretary to the Cabinet Jean-Francois Tremblay, Deputy Minister, Natural Resources Canada Kirsten Hillman, Canada's Ambassador to the United States Rana Sarkar, Consul General of Canada in San Francisco, United States Beth MacNeil, Assistant Deputy Minister, Canadian Forest Service

Randy Pollack, Churchwell White

The participants online cannot see the screen clearly. It is blurry. Can this be fixed so we can participate? Thank you.

Pamela Bond

Hi, I wanted to note with the plastic bags in recycling bin, I know that it used to be said we could bag them together and put them in recycling. Also, I am pretty sure an outreach person for our area had said we could bag all the bags together to recycle. Same with straws. (We have been bagging them together and throwing them out.) We don't have stickers on our cans, I don't think.

Lauren De Valencia

Hi - I just wanted to confirm that the HHW recommendations are in fact second reading and will go into the December report? Thanks!

Gail Brice, XT Green

Sorry if I missed this but I'm wondering whether the Commission's recommendations have included subsidies to manufactures to use recovered material from California recycling? This has been incredibly successful for the California Carpet Stewardship Program that has resulted in massive new markets throughout the U.S. for recovered material from all carpet fiber types and even the low-value filler. The pull through due to the manufacturing subsidy also supports the construction of processing facilities to produce this material. Entrepreneurs and multibillion-dollar companies have been

attracted to the California Carpet Stewardship Program to the point that there are minimal opportunities for further investment. If there were an equivalent subsidy programs for processors and manufactures using additional types of California recovered material from recycling, other processing and market development issues could be solved like they have been in the California Carpet Stewardship Program. Thank you.