California legislature passes recycled content mandate, EPR bills stall for second year in a row

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Brief



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Dive Brief:

- AB 793, a recycled content mandate, made it out of California's legislature on the day's last session. But the Circular Economy and Pollution Reduction Act (AB 1080 and SB 54), a major extended producer responsibility (EPR) packaging effort, failed for the second year in a row.
- AB 793 passed the state Senate on Aug. 30 by 65-0 and is now headed to Gov. Gavin Newsom's desk. Several supporters of the bill indicated they expect Newsom to sign after he vetoed a predecessor bill last year, AB 792, over concerns about burdening state regulators. The bill would be the toughest of its kind globally per reporting by <u>Plastics News</u>, requiring 50% recycled content in plastic beverage bottles by 2030.
- The identical EPR bills were less successful AB 1080 passed the Senate but did not make it back for Assembly concurrence in time, while SB 54 fell shy by four Assembly votes due to moderate Democrats abstaining, according to CalMatters. Those bills also did not make it to a final vote in 2019 amid pushback from major packaging interests and some industry players including Waste Management, despite support from Republic Services and Recology.

Dive Insight:

California's legislative session grappled with stops and starts due to the pandemic, but some of the biggest bills with implications for the industry revived in time for a final push, including SB 54/AB 1080 and AB 793. Proponents of the bills were candid about the uphill battle each might face in the truncated session just prior to the end of the session on Monday night.

"[These] are among the more controversial bills the legislature is taking up," said Nick Lapis, director of advocacy for Californians Against Waste.

AB 793 succeeded after a setback last year. In addition to its 50% recycled content mandate, the bill requires glass container manufacturers to use a minimum percentage of 35% of postfilled glass in foodware. The legislation also preemptively bars local ordinances from regulating minimum recycled plastic content requirements for beverage containers.

Janette Micelli, a spokesperson for Waste Management, said Monday afternoon that Waste Management is "pleased" at AB 793's passage. Republic and Recology were also among many other stakeholders supporting the legislation.

The Plastics Industry Association (PLASTICS) and other packaging interests pushed back on the predecessor bill last year over concerns about state regulators having too much leeway and few details about new infrastructure funding. PLASTICS ultimately went neutral on AB 792 once amendments were made.

In response to a request for comment on the recent bills, PLASTICS did not react to the passage of AB 793 and shared a statement from President & CEO Tony Radoszewski thanking lawmakers who did not support the EPR bills.

"We now have a chance to hit the reset button and work with all interested stakeholders to craft legislation that will really address the issue of sustainability," Radoszewski said, noting the potential for a new bill next year.

If it had passed, SB 54/AB 1080 would have marked a major milestone for circular economy stakeholders. Those bills would require all single-use packaging in California to be compostable or recyclable beginning in 2032. Producers would additionally have to reduce the waste generated from their products by 75% as of the same date, part of a set of requirements that would likely be the strictest in the United States. Companies failing to comply could face up to \$50,000 in fines per day. Glass and aluminum manufacturers both won exemptions for their products, with the legislation ultimately focusing more on plastics.

Recology and Republic's Western Region joined an extensive coalition of environmental organizations, municipalities and other groups in supporting the bill. According to <u>an Aug.</u>

<u>26 state Senate floor analysis</u>, a number of manufacturers, packaging companies and trade groups remained opposed, as did Waste Management and PLASTICS. CalMatters <u>reported</u> some opponents spent millions lobbying lawmakers on the bills.

Micelli said Waste Management was "closely" watching discussions around the EPR bills but did not offer further comment on the company's rationale as of Monday afternoon.

Others changed their stances from last year, including the Glass Packaging Institute, the California Grocers Association and the Association of Home Appliance Manufacturers — all of which became supporters following bill revisions.

Doug Kobold, executive director of the California Product Stewardship Council, said the bills also underwent a number of changes to address concerns by haulers including franchise control and the potential for lost revenue. The revised versions require the use or expansion of pre-existing solid waste collection programs and facilities "to the extent feasible," in acknowledgement of industry pushback.

Other changes include the 2032 timeframe — the initial deadline given was 2030 — and exemptions for small producers, including farmers and small businesses.

Kobold expressed some concerns with the new version, including exemptions for hybrid plastic-aluminum beverage containers, but said the bill represented a major achievement for EPR proponents.

"This is significant legislation for California and for the United States," he said, adding it most closely resembled the federal-level Break Free From Plastic Pollution Act. <u>That bill</u> has stalled in Congress, but co-sponsors Rep. Alan Lowenthal, D-Calif., and Sen. Tom Udall, D-NM, have encouraged states to pass their own similar legislation in the meantime.

It is unclear whether proponents will make another push to pass an EPR package next year. A Recology-backed plastics tax ballot initiative <u>on track for a vote in 2022</u> may also push the legislature to act.

Editor's note: This article has been updated to include a comment from PLASTICS.

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