



March 9, 2023

The Honorable Laura Ellman
Chair
Illinois Senate Committee on Environment & Conservation
Capitol Building - Room 40
Springfield, IL 62706

Re: Testimony for Senate Bill 1555

Dear Chair Ellman and Members of the Committee:

On behalf of the Glass Packaging Institute (GPI), I am pleased to provide information and perspective on the **SB 1555**, legislation to create an extended producer responsibility (EPR) program for glass, other packaging and printed paper.

Glass Container Manufacturing Presence in Illinois

The glass container industry operates two container manufacturing plants in Illinois, O-I Glass in Streator, and Ardagh Glass in Dolton. These plants collectively produce millions of glass bottles and jars daily, in support of nearby food and beverage customers, employing hundreds of men and women in high-paying, benefits- provided careers.

Both plants utilize recycled glass as a critical part of their batch mix input, assisting them in reducing greenhouse gas emissions and energy use. Glass recycling (processing) company Strategic Materials, Inc., also operates out of the Chicago area, in support of their production efforts.

GPI has works with localities around the country to support dedicated glass collection programs. This includes current efforts on a commercial glass recycling program in the greater Chicagoland area, in partnership and with the support of our brands. As explained further in our testimony, general under-investment in proper glass sorting and cleaning equipment across many of Illinois' material recovery facilities (MRFs) require unique efforts to effectively recapture glass – a 100% and endlessly recyclable packaging material.

Glass Container Recycling Background

Glass is a core circular packaging material - reusable, refillable, and endlessly recyclable. The vast majority of glass containers are for food or beverage products, and glass is the only packaging material generally recognized as safe (GRAS) by FDA for all food and beverage products. Public sentiment strongly rates glass as one of the most supported

materials in the recycling stream, and glass has the strongest profile to aid in refillable beverage systems.

The glass container manufacturing industry has a significant stake in the effectiveness of glass recycling programs. Recycled glass is a key component of the manufacturing process. The industry purchases about 2.3 million tons of recycled glass each year. For every 10% of recycled glass added to the batch mix, energy usage can be reduced 2-3 percent, with additional corresponding reductions in greenhouse gas emissions.

When you add the benefit of what is a better than 1 to 1 offset of raw materials saved by using recycled glass to make new containers, it is clear that using recycled glass has significant benefits to the environment of Illinois and surrounding region and its use should be encouraged and prioritized by brands.

Comments on Provisions Supportive of Glass in SB 1555

- **Readily Recyclable Determinations for Packaging:** As we testified last session, “readily-recyclable” terminology can place truly recyclable packaging, like glass, at the mercy of investments and prioritization of cleaning and sorting equipment at materials recovery facilities (MRFs) around the state. The end result may be a determination that glass is not “readily recyclable” due to a reliance on single-stream commingled recycling, and therefore, subject to higher fee assessments or to the brands or other discriminatory treatment by the stewardship organization.

As a 100% and endlessly recyclable package, **GPI appreciates and supports the defined list of readily recyclable packaging within SB 1555**, which includes glass and other recyclable packaging. This defined list removes subjectivity and uncertainty, and we urge it remain, should SB 1555 be amended.

- **Materials Representation on the PPRA Advisory Council:** GPI also supports the defined role of glass as outlined by the designated representatives on the PPRA Council. With glass container manufacturing, glass recycling and numerous brands and customers in-state, material stakeholder input is crucial for program success. GPI also appreciates the defined role and input of the Council within SB 1555, as it allows review and comment on the statewide needs assessment (prior to completion), all program plans (during the plan development process) and the opportunity to make recommendations to the Agency regarding approval of submitted program plans.
- **Inclusion of Exemption for Beverage Containers under Deposit:** Deposit return programs can be very successful in aiding a state recycling program meet its goals and objectives and recognizing that option is positive. In addition, dairy milk is often provided in refillable glass containers under deposit, and should be exempt from the EPR system even if there is no broader beverage container redemption program.

Concerns with SB 1555

- **Product Manufacturer Definitions and Responsibilities:** The single most significant flaw in SB 1555 is an explicit carve out for retailers not having responsibility for their own store brand products in this bill. That responsibility is then put upon the package manufacturer who has no control over the decisions of the retail brand making packaging choices for their products. This provision alone is enough to warrant opposition to the bill.

The bill largely places financial responsibility for packaging fees on the producer (or the brand) of the covered product in covered packaging into the state. When the product is imported or sold remotely, the entity causing that action is responsible for fee payments. This is consistent with the four states currently implementing their EPR programs (California, Colorado, Oregon and Maine), and every other state that is contemplating an EPR program for packaging.

The concept of requiring packaging manufacturers to be responsible for store or retail brand sales of their own product into the state is highly problematic. The amount of store or retail branded packaging encompasses a range of products and their respective packaging. Responsibility of payment for retailers selling covered packaging into the state should be no different than private brands selling the same food and beverage products. The retailers know the amount of store brand packaging sold and can calculate fees owed accordingly.

The packaging manufacturer, (glass, aluminum, aseptic, plastics, paper, etc.) already has required future recycling, reduction, and environmental mandates within the bill, many of which will be developed over time by the PRO. The requirements for each packaging manufacturer to meet these benchmarks is their ultimate responsibility to the success of the program.

- **Fee Structure for Producers:** GPI also has concerns with metrics surrounding producer fees. While we appreciate the fee structure is no longer weight-based, three of the five primary areas (highlighted below) are subjective in nature, do not reflect the end market value of recycled glass, and are further constrained by current recycling collection practices.
 1. Costs to provide collection for recycling.
 2. Costs to process a producer's covered materials for acceptance by secondary material markets for use in manufacturing processes.
 3. Commodity value of the materials.
- **Lack of Quality Measures or Standards of Performance for Service Providers:** Quality is a key factor in the value of recycled material on the secondary commodity market. It is often overlooked in the debate over who should pay recycling services but is a key factor in the recent volatility of global recycling markets. Recycled glass

is a classic case of the significance of quality in determining value. Source separated glass in nearby deposit return states has much higher value and stronger markets due to its lack of contamination. Recycled glass has in-state and nearby markets and is of value to both the container and fiberglass manufacturing industries. Any costs assessed to brands based on a recyclable material's value should reflect this demand and should be measured at the end of the recycling and processing steps when the quality of the material ensures it is reusable for manufacturing. This change will help to eliminate what may be considered "recycled glass" in the earlier sorting processes, but ultimately ends up in landfills for disposal.

Also absent in the fee structure, is a clear direction that the program accounts for the quantity of packages covered in the EPR program. As a primary goal is to reduce the amount of packaging in the waste and recycling streams, knowing how many units are being managed, and developing metrics to reduce packaging required to be sorted, processed and resold should receive greater prioritization.

Needs Assessment for Packaging Stewardship Programs

GPI agrees that a clear municipal needs assessment should be undertaken prior the start of any producer-funded program. While drop-off programs and connected funding for covered packaging is included, these provisions should be much stronger, and centered around a base level of service designed to deliver quality, clean, and marketable recyclable materials from local recycling programs.

The focus on collection of recyclables and consumer access to collection points should be driven by the quality of recyclables these programs will produce for end markets.

The needs assessment should also highlight participating waste and recycling hauling companies' financial stake in any program, along with investment requirements within their recycling processes and sorting capabilities, to assist glass and other industries in the recovery – and purchase – of recyclable materials.

GPI and its member companies look forward to additional opportunities to engage with the legislature on SB 1555 and other recycling related issues.

Thank you for your consideration of our comments.

Sincerely,



Scott DeFife
President