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To: Representative Spencer Black, Chair, and Members of the Special Legislative Council
Committee on Single Use Plastics

Fr: Kelly McDowell, WBA Executive Secretary

Re: Proposed Changes to Wisconsin Recycled Content Statute

Thank you for the opportunity to provide comment on proposals under consideration by the Special Committee on Single Use Plastics. While the Wisconsin Beverage Association (WBA) supports the goal of the committee to minimize environmental impacts of single use products and maximize recycling, we believe that proposed revisions to the plastic container recycled content law (s. 100.297, Stats) are unnecessary for the following reasons.

Misplaced effort. The intent of mandated minimum content is to stimulate demand for recovered plastics. Yet, it is not **demand** for recovered plastic that is the problem, it is **limited supply**. In fact, companies have not been able to secure steady and adequate sources of supply. Many reclaimers are operating below their capacities because of a shortfall of supply; this trend looks likely to continue through 2010.

This combination of high demand and inadequate supply means higher pricing is likely to come, according to a 2009 Report on Post Consumer Pet Container Recycling Activity compiled by the National Association for PET Container Recycling (NAPCOR). As such, PET beverage bottles will continue to remain among the most valuable materials in the waste stream.

Market interference. Use of recycled PET in containers is already at historically high levels, jumping 37 percent from 196 million pounds in 2008 to 268 million pounds in 2009. By overriding market decisions and mandating use of recovered plastics in containers sold in Wisconsin, the bill would divert recovered material from other uses (*e.g.*, clothing, strapping, carpeting). This diversion would force container producers to pay more for their raw materials to outbid the other scrap consumers. Other scrap consumers would then have to use virgin materials or import scrap from abroad. This is not effective public policy.

Inefficient mandates. Consumer product companies already use recycled content in many packages (*e.g.*, PET beverage containers, pigmented HDPE bottles for detergents, soaps, and motor oil). Indeed, as a result of years of investment in R&D, many plastic beverage bottles contain amounts of recycled PET equal to or higher than the proposed 10% level. The industry's ability to sustain those levels – and achieve them across all package types – is limited by supply and technology. The law as proposed would substitute these marketplace decisions with a government agency's assessment of adequate supply and economic viability. Government could determine that paying a 100% premium for recycled resin is economically feasible for all impacted businesses. Forcing companies to make decisions they might not otherwise make will ultimately cost consumers more money. Further, the bureaucracy needed to police these standards adds another burden to the economy.

In conclusion, please know that beverage industry is constantly innovating and improving its packaging to maintain its effectiveness, while reducing its overall environmental footprint. To that end, virtually all of the industry's packaging is recyclable or reusable and they are continuously exploring ways to feasibly incorporate recycled materials into packaging and other products. Additionally, less packaging is used wherever possible. For carbonated beverage bottles and cans, the industry used 46 percent less packaging in 2006 than in 1990 - despite the fact that sales of these beverages increased by 24 percent in that same timeframe.

We appreciate your consideration of our concerns and respectfully ask that the committee not pursue revisions to Wisconsin's recycled content statute. Thank you and we would be happy to meet with you or provide additional information.