

PRODUCER RESPONSIBILITY FOR PACKAGING & PRINTED PAPER

ECONOMIC BENEFITS OF INCREASING RECYCLING IN MICHIGAN

THE CHALLENGE

There are significant environmental and economic benefits that come from recycling. However, the gaps in Michigan's recycling system prevent us from achieving those benefits.

RECYCLING IN MICHIGAN IS POISED FOR GROWTH

Michigan recycles at least 21% of its discards and that number is growing. We are making progress but our recycling rate lags behind the national average. In fact, much of the 8.2 million tons of waste disposed in Michigan's landfills in 2022 could have been diverted to productive uses through recycling, composting, and other methodologies - thereby saving landfill space and providing feedstock for Michigan and regional manufacturers.

\$600 MILLION IN LOST VALUE BURIED IN MICHIGAN LANDFILLS

Paper, plastic, and the other commodities buried in Michigan landfills each year could have been captured and sold through recycling commodity markets. This is a significantly overlooked financial opportunity to create jobs, boost local economies, and make resources out of costly waste. Targeting wasted packaging and paper products through a Producer Responsibility policy assures that the infrastructure and services that are necessary to divert these materials is functional and at work to our benefit.

MICHIGAN IMPORTS GARBAGE IN MORE WAYS THAN ONE

Approximately 25% of the waste buried in Michigan landfills annually comes from out-of-state, primarily Canada. But at least 2/3 of products that Michiganders consume everyday also come from out-of-state and those products and packaging contribute to Michigan's growing waste problem. Producer Responsibility aims upstream to reduce waste at the source and assure there are viable end of life solutions in place.

THE SOLUTION

Improve recycling, create jobs, and strengthen supply chains with producer responsibility policy. A Producer Responsibility policy will make it easy for all Michiganders to recycle more plastics, metal, glass, cardboard, and printed paper. It will also help businesses by creating a more resilient domestic supply of recycled materials to make new products. This will rapidly improve Michigan's recycling rate, create new jobs, and benefit local economies while reducing carbon pollution.



HOW PRODUCER RESPONSIBILITY WILL SUPPORT PLASTIC RECYCLING AND MICHIGAN BUSINESSES

Many Michigan manufacturers are already using recycled materials to make new products. As more manufacturers look at incorporating recycled material in existing production or innovating to use it in new products, they will require a robust and steady supply to make those investments.

A functional recycling system serves as the foundation for a successful transition to a circular economy where materials are used and reused to the benefit of the economy and the environment. The public and private sector must work together to assure that success.

Here's what's needed to maintain an effective recycling system:

- 100% of packaging needs to be recyclable
- 100% of households need access to recycling
- Residents need to fully engage in recycling
- Recycling facilities need to effectively process at least 95% of the materials
- Recycling facilities need sufficient end markets

Producer responsibility policy aims to deliver back to producers the recycled raw material needed to make new products. Building the Michigan supply lowers the environmental impacts and costs of that material.

RECYCLING CREATES JOBS IN MICHIGAN

Recycling, reuse, and re-manufacturing industries already contribute 72,500 jobs and generate \$17.1 billion in economic output in Michigan each year, despite our low statewide recycling rate. Increasing our recycling efforts will provide even more jobs and economic benefits. For instance, on average, recycling creates nine times more jobs than landfilling per ton.

GROWING RECYCLING NATIONWIDE LEADS TO BILLIONS IN ECONOMIC BENEFITS

By reaching our goal of 45% recycling, Michigan would potentially add 47,800 jobs and \$11.6 billion in additional economic output. Producer Responsibility policies are a proven tool to expand recycling and realize these benefits for a whole host of materials that are currently the sole financial burden of consumers and local governments.

BUSINESSES SUPPORT PRODUCER RESPONSIBILITY TO STRENGTHEN SUPPLY CHAINS

Businesses are facing massive disruptions in global supply chains and often struggle to source the metal, paper, plastic, and glass needed to make new packaging and products. Meanwhile Michigan <u>buries over 8.2 million tons</u> of resources in our landfills every year. By recycling more, we can create a reliable domestic supply of materials to make new products. Over 100 global companies have <u>publicly stated their broad support</u> for producer responsibility policies to increase recycling, reduce plastic pollution, and help strengthen local economies.

Producer Responsibility in Michigan is generating strong bipartisan support from local governments, consumer goods companies, recycling businesses, environmental groups, and many more.

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