

3-13-23

Good morning Elena and Jessica:

Following are some talking points about EPR an MRC colleague and I put together. I shared some of them at last Tuesday's meeting.

1. The reimbursement process appears very daunting, even after we were reminded during last week's meeting that the SO will be responsible for a lot of the data gathering, including audits of the participating municipalities (PM), and for providing assistance to the PM's. It is possible very few, if any, municipalities, will participate in the overly complicated reimbursement calculations. No or minimal community participation in EPR translates to no progress in increasing the percentage of materials that are actually recycled through the EPR process.
2. There is no built-in incentive to participate in the scheme. Show us the money! Demonstrate that the proposed process won't cost more to implement than participating communities are likely to receive in reimbursements. It's complicated, labor intensive and requires allocations of municipal time and money which will use scarce municipal resources that might be better used elsewhere.
3. The process discriminates against those communities that can neither afford to hire the employees or expertise needed to implement it nor purchase the equipment that it will require. This is where the level of involvement of the SO will play a critical role in the process. The responsibilities of the SO will need to be made very clear in the RFP when we get to that point. That being said, this might be putting more of the effort on the SO which will make the SO's job more difficult and, consequently more expensive, reducing reimbursement amounts. In addition, even with the SO in position, a lot of the reporting remains the responsibility of each municipality.
4. It's outmoded, based as it is upon manual data gathering techniques that could be more prone to "human error" and will hopefully have a limited role in the future of waste processing.

The process as presented e.g., the proposed formulas and calculations miss what we perceive as the whole point of EPR. As the EPR process gets online and progresses, it's focus must change to requiring packaging manufacturers (i) to embed, for example, Artificial Intelligence Identifiers and/or optical identifiers in their packaging materials to enable efficient MRF sorting and accounting and (ii) use one material in their packaging as opposed to two, three or more materials e.g., a small OCC box inside a larger OCC box.

Thank you.

Tony Smith, MRC Board of Directors

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