



# How Colorado's PRODUCER RESPONSIBILITY POLICY

## Would Benefit & Impact Businesses

Through a Producer Responsibility policy, Colorado can transform its current recycling system from a disjointed, confusing, and inconvenient patchwork of programs into a coordinated, equitable, and cost-effective statewide system. This will rapidly improve Colorado's recycling rate and result in fewer greenhouse gas emissions, cleaner air and water, less waste sent to landfills, and stronger local economies. [Start here for more background on how the policy works.](#)

### What are the benefits to businesses from a Producer Responsibility policy for containers, packaging, and paper?

- **Increasing and enhancing recycling.** This policy will provide free, convenient recycling to all Coloradans, and develop a consistent statewide list of what can be recycled. A Producer Responsibility policy would fund statewide recycling programs for containers, packaging materials, and printed paper. This includes some plastics, glass and metal food and beverage containers, cardboard boxes, newspaper, magazines, junk mail, and other printed paper.
- **Supporting Colorado businesses by creating a more resilient domestic supply of raw materials.** Businesses are struggling to source the metal, paper, plastic, and glass needed to make new packaging and products. Meanwhile Colorado buries over [5.9 million tons of material in our landfills](#) every year. By recycling more, we can create a reliable domestic supply of recycled metal, paper, plastic and glass to make new products.

### What are the environmental benefits from a Producer Responsibility policy for containers, packaging, and paper?

- **Reducing climate pollution.** Every one ton of materials recycled saves nearly three tons of carbon emissions. Even at a 15% recycling rate, less than half the national average, recycling in Colorado saved the equivalent [greenhouse gas emissions of removing 400,000 cars](#) from the road annually. This policy will greatly expand recycling and the related emissions saved throughout the state.
- **Reducing unnecessary packaging and reducing plastic pollution.** Companies will be charged based on the amount and type of packaging used. The less packaging a company uses, the less they will pay. There are also incentives to move companies toward using more reusable or recyclable packaging.

Learn more about Producer Responsibility for containers, packages and paper in Colorado and how you can get involved at [www.recyclingforallcoloradans.org](http://www.recyclingforallcoloradans.org)



## Which businesses are affected by this? Who is considered a producer?

- This policy affects all producers selling goods in Colorado, both from in-state and out-of-state producers. The policy only applies to containers and packaging sold within the state, not to Colorado companies selling into other states. In most cases, the producer is the company whose name is on the product. Online vendors are responsible for the packaging used to ship consumer goods.

## Are small businesses exempt from this policy?

- Yes, small producers are exempt as are nonprofits and businesses that are not producers. This is defined as companies with less than \$5 million in gross revenue per year (excluding on-premises liquor sales) or less than one ton of packaging and paper products sold in Colorado in the previous year.

## What materials will producers pay dues on?

- Producers of any type of packaging or printed paper will need to pay into the program based on the amount and type of material used for packaging, regardless of the compostability or recyclability of the packaging. This includes all materials that are used to contain, protect, handle, deliver, or present products at the point of sale or deliver products to consumers. The packaging covered is sometimes referred to as primary, secondary, and tertiary packaging. This does not apply to packaging that is for long-term use (see video game example below). For instance, if a company sold the following items, their packaging would include:

Item*	Example of packaging
Beverages	Bottles & lids or cans, cardboard or 6-pack holder
Electronics	Box, the Styrofoam or other padding, plastic bags wrapping items in the box, cellophane around the box
Video game disk or DVD	<b>Not covered:</b> the box the disk is kept in for the life of the disk to protect it when not in use <b>Covered:</b> cardboard box or sleeve around the box
Beauty products	Tube/jar the product comes in, the box around the tube/jar
Toy sold into Colorado by online retailer**	<b>Toy producer:</b> responsible for the packaging around the toy <b>Online retailer:</b> responsible for the shipping box and any padding materials used in shipping

\* The dues are based on the packaging itself, not the product that is sold.

\*\* Colorado companies do NOT pay dues on packaging for products they sell outside of the state.

## Why do the producers pay rather than the manufacturers of the packaging?

Producers have the final say in what types of packaging they will use. It is up to them to decide if they will take advantage of the cost incentives of more recyclable materials. While manufacturers can recommend more environmentally friendly designs or materials, it is the producers that ultimately choose which packaging they will use.

## How much will it cost producers to pay dues into the Producer Responsibility Organization (PRO)?

- The PRO will determine dues for different types of material. The dues will be higher for materials that are harder to recycle (i.e., certain plastics) and lower for easier to recycle materials (e.g., aluminum).
- Dues are calculated on the packaging only, not the weight of the items inside. For example, if you sell cereal, you will pay for the paperboard box and the plastic bag, NOT the cereal inside.
- The following shows an annual dues schedule from average Canadian Producer Responsibility programs. It is likely that the dues schedule in Colorado will be similar.

### SAMPLE COSTS PER MATERIAL FROM AVERAGE CANADIAN PROGRAMS

Material type	Cost per pound
Aluminum cans	\$0.03
Cardboard boxes	\$0.10
PET bottles	\$0.13
Plastic bags and films	\$0.22
Polystyrene containers	\$0.36

Find out more about what a PRO is and how a Producer Responsibility system works at [www.recyclingforallcoloradans.org](http://www.recyclingforallcoloradans.org)

## Is there a process to ensure that these dues are fair to all businesses?

The dues schedule will be submitted as part of the PRO's program plan to the independent advisory board made up of stakeholders including municipalities, the recycling industry, environmental groups, and business/retail associations. Once the advisory board has reviewed the plan, it will go to the Colorado Department of Public Health and Environment (CDPHE) for final approval. The dues structure will be revisited and changed annually as needed. The actual dues that a producer pays will be based on the amount of packaging they put onto Colorado markets annually and the type(s) of material that packaging is made of. If a producer does not have Colorado specific data, they may extrapolate approximate Colorado data from national data based on population.

## How much will a program like this cost and what will it cost the state?

The cost of the program will be determined by a statewide needs assessment that will be completed in 2023. The needs assessment will identify the current gaps in recycling services and infrastructure, and the investments needed over time to meet the proposed recycling goals.

## What will this cost the state or local governments?

- The cost of the program will be covered 100% by the producers including the costs the state incurs for administration and oversight of the program. Local governments stand to save tens to hundreds of thousands of dollars that many currently pay for curbside or drop-off center recycling programs.

### How will this impact prices for retailers and consumers?

- Producer Responsibility programs have been in place in 40 countries and provinces for decades. All of the available evidence shows that Producer Responsibility programs do not lead to a noticeable increase in consumer prices [based on research on similar programs](#) throughout Canada and Europe. [According to Forbes](#), there are many factors currently contributing to inflation and rising prices for consumers. This includes shortages in the supply chains due to the pandemic and the increased costs of labor. These factors have a far greater impact on the price of goods than the funding used to support recycling.
- Many **consumers and small businesses may save money** by no longer paying a waste hauler for recycling services and/or reducing the amount of material they pay to throw in the landfill. In addition, **municipalities can save thousands or tens of thousands of dollars** on operating recycling programs and drop-off centers that will be funded by the Producer Responsibility program.



### How will this policy impact retailers?

- Retailers should not be affected by this policy unless they sell items under their own brand. The PRO is responsible for tracking producer participation and producers are responsible for annually reporting on products.
- This policy is NOT a bottle bill, and does NOT require either point of sale fees nor that retailers collect the recyclable materials.
- Some retailers may benefit from receiving recycling services for common recyclables.

### How will this affect small businesses?

- While Producer Responsibility policies for packaging require all companies that distribute containers, printed paper, and packaging to pay dues on the materials they produce, the majority of the funds in the program come from the largest producers. For example, of the 3,400 producers in the Quebec system, the [150 largest producers contribute 80% of the funds for the program](#). In addition, policies are written to exempt the smallest producers from having to pay in based on the amount of material they put on the market and/or their annual revenue.
- Colorado stakeholders have expressed interest in providing recycling for common recyclables to small businesses as part of a Producer Responsibility program to maximize the amount of material collected. If this happens, many Colorado businesses will benefit from the policy by saving money on recycling services or getting services they did not previously have.

### Will this policy cause companies to stop selling products in Colorado?

- No, Producer Responsibility is a proven program in over 40 countries and provinces. It has been adopted by two US states and is under consideration in at least seven states in 2022. Thousands of companies have experience under these systems.





## How will the Producer Responsibility Organization be held accountable to deliver these benefits?

- Producer Responsibility programs have been in place in 40 countries and provinces for decades. They have a proven track record and most of the large companies that will participate in Colorado's program are already participating in one or more similar programs elsewhere. In addition, Colorado already has over seven years of experience with a similar producer responsibility program for paint overseen by [PaintCare](#).
- The Producer Responsibility policy has a number of checks built into it, including:
  - **Goals and Needs Assessment:** The PRO plan must meet the goals set by the state and be guided by the findings of the statewide needs assessment which will measure existing and needed recycling programs and infrastructure by geographic region around Colorado.
  - **Stakeholder Engagement Process:** The program has specific requirements to gather stakeholder feedback on the needs assessment, plan, annual review, and program operations.
  - **Independent Advisory Board:** A state-appointed board representing counties, municipalities, recycling industry, recycled content users, environmental groups, and retail/business will be formed to advise on and review the scope and findings of the needs assessment, the PRO plan, and annual reports.
  - **The Colorado Department of Public Health and Environment (CDPHE)** has final authority to approve the scope and findings of the needs assessment, program plan, and annual review and is the entity responsible for contracting with the PRO.

**Producer Responsibility in Colorado has strong bipartisan support from local governments, consumer goods companies, recycling businesses, environmental groups, and many more. For more information, please contact:**

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