



## Rapid Growth, Growing Opportunity

Boosting Good Supply in an Expanding Market Place



**Association of Postconsumer Plastic Recyclers**

**2012 Member Update**

**December 17, 2012**



Seasons Greetings,

First of all, on behalf of the APR Board of Directors, Kara, Dave, Liz and myself, let me thank you for your continued support of APR in 2012. We extend our best wishes to you and your family for a safe and happy holiday season and a productive and prosperous 2013.

As an organization, APR continues to buck the national trend, as we saw our membership numbers and revenue rise to all-time highs in 2012. For the year we have generated over \$850,000.00 in revenue from dues and grants, a substantial increase over 2011.

Of course, as one could point out, from a revenue and resource standpoint, we continue to operate as a David in the land of Goliaths. While we continue to leverage our resources and member intellectual property to great success, the challenges for our industry continue to mount. We need to continue to work to generate additional revenue to provide the industry with the technical resources it requires, while continuing our search for additional sources of good, clean, raw material supply. We work to maximize the value of your dues dollars.

Our major expenditures were the Annual PET and HDPE/All Bottle Recycling Rate Report, the implementation of the Grocery Store Plastics Recovery Project, advocacy activities in California, North Carolina, Massachusetts and Vermont; several technical projects, including a comprehensive long-term evaluation of the quality of PET post-consumer material; and our meeting expenses, which are not fully covered by the meeting registrations. We project to show a small surplus contribution to reserves for the year.

For the 4<sup>th</sup> year in a row, the board has voted not to increase member dues investments. For 2013, the board has approved a pro forma budget based off revenue of approximately \$790,000.00. The revenue picture is based on a 90% renewal rate by our members and the addition of 10 new members in 2013.

Although this budget will require some restructuring and cuts in several areas, it keeps resources in place for our Rigids, Communications and Technical Groups to fund some of their most significant projects. It also takes into account potential expenditures on state lobbying activities surrounding our continued efforts with California, Maine, Vermont, Iowa, and Massachusetts; as well as efforts with the

FTC on implementing the Green Guides, and potential funding for a film reclamation program within APR.

We are facing significant challenges in the Plastic Recycling Industry. Full wrap label questions, new resins and additives, and competing protocols were issues that emerged as additional challenges in 2012, and will continue to be a major focus for APR to deal with in 2013. And while we were successful in our effort in California to eliminate resin switching as a compliance option for containers in that state, which would have had highly detrimental effects on HDPE recycling, we fully expect that ruling to be challenged once again in the coming year.

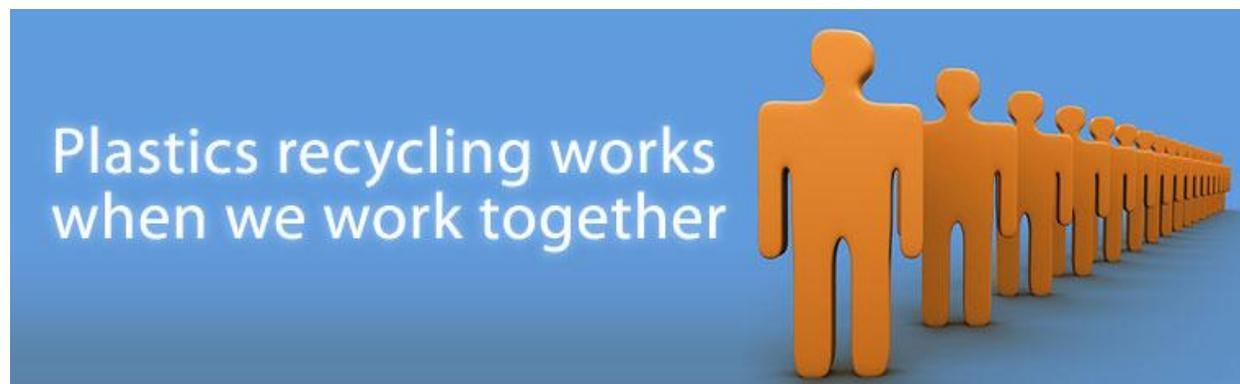
We hope this overview provides you with some insight as to where your dues investments go. I encourage you to contact me should you have any questions about any of these items.

Again, on behalf of the board, Dave, Liz, and Kara, let me thank you for your support and extend our best wishes to you and yours for a safe and happy holiday season.

Thank you,

Steve Alexander  
APR President/CEO

## 2012 PROJECTS AND DELIVERABLES



**Maintaining The Voice Of Plastics Recycling.** APR's growing network of cross-sector supply actors help us to bolster supply and create opportunity. Community collection officials, state leaders, industry representatives look to APR for plastics recycling resources, information, and development. We do this through our webinars, speaking engagements, website, and other communication tools. We continually strive each and every day to provide answers to the volume upon volume of inquiries we receive relating to plastics recycling, education, and collection.

**Defining Recyclability.** APR published our definition of recyclability on its website. Importantly, the definition includes economic feasibility, as well as technical capability. The definition is important in the debates and discussions in which we engage to keep plastics recycling successful.

**Engaging the FTC.** APR responded strongly to the proposed FTC Green Guides on the subjects of labeling, bio and oxo-degradation, recognition, and recycling definition. The FTC issued its final Green Guides with a responsible definition of degradable. We will continue to work with the agency to enforce the Green Guides in the marketplace. These topics are crucial to keeping the flow of good material robust.

**Grocery Store Rigid Plastic Recycling Pilot Released.** The APR Grocery Store Rigid Plastics Recycling National Promotion campaign was unveiled in October at the Grocery Manufacturers Association/ Food Marketing Institute's Sustainability Summit . Building upon important data gathered in 2010 and 2011 which identified a base minimum of 350 million pounds of rigid polypropylene and HDPE generated annually "behind the counters," a new website – [www.recyclegroceryplastics.org](http://www.recyclegroceryplastics.org) – was created that enables easy access to a myriad of resources developed to assist the grocery industry with plastics recycling. The two national grocery store chains who participated in APR's 2011 pilot programs will be rolling out rigid plastic recycling in over 400 stores in 2013. In the coming year considerable work will be done to assist grocery store chains implementing rigid plastics recycling. Targeted technical assistance, webinars, trade journal articles and conference presence are just a few of the ways this new potential source of recycled resins will be garnered.

**Protecting Against Degradable Additives.** In 2012, APR continued its role as a voice of responsibility in the debate about the presence of degradable additives in recycled plastic. Despite what the FTC outlined in their final guidelines, marketing claims regarding the so-called recyclability of these additives remain ever present and growing in the marketplace. APR has voiced its reasons for concern, provided the path to prove no harm is done, and listened to the arguments. We have successfully opposed the careless use of degradability in regulatory rule making. APR continues to develop and refine its test protocols and prepare to give rigorous critique to claims made about recyclability of plastics with degradable additives included. We continue to see no solid waste management benefit from the additives and many negatives to their use. We anticipate pursuing legislation regarding oxo-degradable additives in North Carolina in 2013.

**Understanding Untapped Municipal Plastic Recycling Opportunity.** APR was invited to "piggyback" onto the State of Vermont's Waste Characterization Study which is being conducted to determine untapped opportunities for recycling. The results of this study will provide APR members with an understanding of current plastic waste, segregated into over 35 categories.

**Decreasing Bale Contamination through Model Bale Specifications.** Two national trade organizations – APR and ISRI – were in the process of independently developing model bale specifications for non-bottle rigids. To help standardize these efforts, an APR/ISRI Recycled Plastics Specifications Taskforce was formed, and is coordinating its work with the APR Bale Definition Subcommittee to create specifications which will improve market efficiency and facilitate trade between sellers and buyers.

**California Attorney General Activity.** As you know, for the past 2 years, APR has been working to bring the mislabeling of bottles on California store shelves to the attention of the Attorney General. Bottles labeled 'recyclable and degradable' have proven to be of particular concern. In October 2011, the

Attorney General announced it was filing suit against those companies marketing their bottles as degradable, in violation of California law. In 2013, we worked to provide additional resources to allow the Attorney General to continue similar action against those bottles that continue to violate the law. We will continue to work with the AG's office to ensure compliance in the marketplace over the long haul.

**Developing Model Bale Specifications.** The Rigids Committee Bale Definition sub-group completed work on a series of model bale specifications this past year. Housed on the APR website, the 2011 model bale specifications for "Tubs & Lids" and "Bulky Rigids" are coupled with development materials to help MRFs and recyclers market non-bottle rigid material. APR continued its work in 2012 with the Institute for Scrap Recycling Industries to create specification language that meets the needs of both organizations, with the goal of having one set of standards utilized industry wide, which will ultimately lead to additional material available for plastic recyclers.

**Progressing Design for Recyclability Opportunities.** This past year, APR continued our ongoing effort to update and refine the APR Design for Recyclability™ Guidelines and innovation testing protocols to better reflect the needs of reclaimers, users of recycled plastic, and packaging engineers. We continue to work with packaging design and other material recovery groups to spread the word about our Design Guidelines to have them more widely used in the marketplace. A joint task force of Technical and Rigids Committee has successfully surveyed the membership on the key elements of recyclability for thin walled containers. The task force will create new sections in the APR Design for Recyclability™ Guidelines for those packages. Similarly, APR has vigorously pursued the rigorous requirements for surveying polyethylene films issues to create valid recyclability design guidelines.

**Gauging Expanding Collection Practices.** APR's annual Largest US Cities Survey identified three continued municipal collection migrations: From mixed to single stream recycling collection, from "bottles only" to "all containers," and from "1 & 2" plastics only to "1 – 7" plastics.

**Annual Recycling Rate Reports.** Once again, APR partnered with the American Chemistry Council and NAPCOR, to fund the 2011 Recycling Rate Reports, which continue to be the seminal reports on plastics recycling. We look forward to continuing that partnership in 2013 and beyond to bring this critical information to the marketplace.

**Full Sleeve Labels.** Full sleeve labels, appreciated because of no residual adhesives on PET surfaces, can be problematic. APR produced a crystallization of the issues into four principles for the design of labels. Our messages of principles and testing protocols to back up those principles have been heard by brand companies and label makers. More work is needed and is underway. Success will mean more PET bottles with lowered processor costs.

**PET Thermoforms.** PET thermoforms are a large and growing source of PET for recycling. APR implemented a program in 2012 to acknowledge the labels on the thermoforms that do not interfere

with recycling. This program sends the right market signals to packaging designers to keep our supply of material valuable.

**Technical Resource.** APR continues, as it has for many years, to stress good science. We have generated considerable data in support of a rational understanding of tolerated presence of polypropylene in polyethylene. We have supported rigor in our approach to testing and test interpretation. These and other efforts vitally enhance the credibility of APR's efforts to secure more, good containers.

**Caps and Closures.** As you know, APR has established a policy that explains plastics recyclers have the ability to recycle caps and closures. We ask that caps and closures be kept on plastic bottles and containers at the point of recycling. Until recently the plastics recycling industry was not able to effectively recycle bottles with caps on, which has led to an understanding that caps should be removed and discarded. Recycling collection and processing technology has improved, demand for the recyclable material has increased, and this allows for the updated caps-on recycling message and process. APR has partnered with the Caps and Closures Manufacturers Association to get the message out through coordinated speaking engagements, press releases, creating a web seminar program, as well as a template of frequently asked questions that are available on our website.

**Web Seminars.** Four web seminars were completed for 2012. Topics covered debunking plastics recycling myths, caps and closures, educational materials, and moving beyond bottles. Participation averaged 400-500 participants. Presentations and supporting materials are available on the APR website. APR has found the seminar program to be a highly effective and cost efficient way to communicate directly with solid waste and recycling officials and industry members.

**APR Website.** The purpose of the APR website is to provide a valuable resource and tool for APR members and the recycling community. This requires frequent additions and updates throughout the year. This year, a search tool was added to provide easier access to documents and other information. New sections include Frequently Asked Questions and PET Thermoforms. A Google Map was added to the Membership Information section to provide a quick snapshot of where APR member companies are located. Current Press Releases, In the Press, and Rate Reports were added to the About section of the site, and a Recycle Grocery Rigid Plastics page was added to the Rigids section. A Meeting Information page was developed with a direct link on the home page. All of these upgrades are in addition to regular updates and edits including the APR Buyers and Sellers Guide. Finally, website security was increased in an effort to avoid any future viruses and issues.

**Again, Happy Holidays to you and your family. We look forward to working with you in 2013!**