

# **Increasing Beverage Container Recycling: An Update on the National Recycling Coalition's Work with the Beverage Packaging Environment Council (BPEC)**

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## **The Dynamics of Today's Recycling Industry Demand New, Creative Approaches**

Recycling is more than placing bottles, cans and paper in a bin at the curb; it's a complex industrial system that affects how natural resources are extracted, how consumer products are designed and manufactured and then disposed of, and how a variety of wastes from homes and businesses are managed at their end of life. Key factors that have affected recycling over the last few years include a sluggish U.S. economy, rapid industrialization in Asia, and the changing collection infrastructures in the U.S., as well as demographic and lifestyle changes that affect where recycling systems are needed and how they are used.

Increasing recycling rates will require new approaches. Doing what we did for the last twenty years will not produce the results we seek in the coming twenty years. The National Recycling Coalition (NRC) has been building relationships within and between sectors in our coalition to develop and implement strategies that strengthen recycling's changing infrastructure, while opening the communication channels between many diverse sectors. By opening dialogues and creating partnerships with various groups – recycling professionals, government decision makers, business leaders, consumers, the media – we are capitalizing on the internal strength of the coalition to continue to strategically advance recycling. In many cases, these conversations are happening for the first time.

## **Collaboration is Required to Increase Beverage Container Recycling Rates**

When a group of leading beverage manufacturers, including Coca-Cola Company, PepsiCo, Nestle Waters North America, Anheuser-Busch, Miller Brewing, Coors Brewing, and Heineken North America, decided to come together on their own to specifically focus on opportunities to advance responsible waste management practices for their containers, it was an opportunity for NRC to work with those companies to move forward a dialogue with the recycling industry that had become stagnant and characterized by mistrust on all sides. The status quo and previous approaches simply were not working; the opportunities to bridge the gap were significant.

While the beverage industry has been actively engaged in building local recovery systems and designing packaging compatible with these systems for many years, ongoing debates over recycling policy mandates had isolated industry stakeholders from fully engaging themselves with the larger community of professional recyclers, in both the public and private sectors. By forming the Beverage Packaging Environment Council (BPEC) under the larger umbrella of the NRC, these companies initiated a strategic process to enhance both coordination within the beverage industry and engagement with the recycling community.

## **How the Beverage Packaging Environment Council Is Different**

BPEC members represent the full range of consumer product companies that market beverages and through BPEC, for the first time, these companies can address the full scope of recycling issues they have in common. BPEC companies understand that recycling issues are very real and cannot be addressed in a fragmented manner. Their commitment to increase beverage container recycling through collaborative efforts that are based on credible, statistically relevant, market-based research has been a foundation of the group's formation.

It was clear to both BPEC members and to the NRC board of directors that to break away from the past failures to reach both policy and programmatic solutions and instead look for innovative, win-win approaches, industry leadership was essential. By forming BPEC on their own initiative, these consumer product companies are providing the leadership needed to sort through their common interests and to increase recycling of beverage containers.

## **Agreeing on the State of Beverage Container Recycling**

It would be impossible for members of the beverage container industry to move forward on recycling initiatives without first agreeing on the current state of the field. The companies will not invest the time and financial resources that solutions will demand unless they can measure their progress; they cannot measure progress without first agreeing on where they are starting.

Thus, a key first step in BPEC's work was to look at why beverage container recycling rates are declining, what dynamics are at work within the recycling industry, and what is driving changes within the infrastructure of waste and recycling.

Over the last two years, BPEC has identified numerous reasons for the decline in recovery and recycling rates:

- Lack of sustained leadership on the issue
- Value of recycling not measured in true costs
- Deteriorating economics for recycling
- Consumer disconnect with recycling
- Community economic challenges
- Underutilized residential collection infrastructure
- Limited commercial collection infrastructure for beverage containers
- Volatile end-use markets
- Inefficient processing infrastructure

To make a business case for investing in the expansion of beverage container recycling, BPEC members needed to fill a significant information gap by funding an exceptionally experienced research team to present in a comprehensive manner the state of container recycling in the U.S. Research based on actual market data was critical to understand why the recycling rates are declining.

## **Sharing the Research with the Recycling Community**

No other group of companies or stakeholders in the recycling field has been able to take on the difficult data collection and analysis tasks that BPEC has. Because BPEC strongly desires to fully cooperate with recycling professionals as its work progresses, the member companies decided to disseminate their preliminary findings to date via a presentation at NRC's Congress & Expo in August 2005 in Minneapolis.

The opportunity for consumer product companies, government agencies, and recyclers to use this research for planning purposes presents a unique opportunity for more productive dialogue than has occurred in the past and for the creation of new, collaborative relationship with industry leaders. BPEC believes that releasing the research to date, even though it is considered preliminary, was essential to demonstrate BPEC's commitment to engage and collaborate with representatives of the largest cross-section of beverage companies, commodity supply chains, government representatives and recycling advocates.

Several questions have been raised by NRC members and others since the presentation. We have answered the most frequently asked questions in a companion document to this update.

## **What to Expect Next from BPEC**

Conducting the research described above was essential to gaining management acceptance and support from within each BPEC member company. Now is the time – and opportunity – to bring together the broad-based coalition of packaging manufacturers, industry associations, recycling leaders, government representatives and advocates to determine and implement each party's role in an overall strategy to increase beverage container recycling. Included within this discussion should be how to implement strategies in a cost-effective manner with the costs/benefits to the full range of stakeholders clearly defined and understood.

BPEC members have been working within their own business systems and with their supply chain partners to establish an agreed upon approach for leveraging what's been learned and driving improved performance and efficiencies. In moving forward, BPEC is committed to engaging key stakeholders and communicating results.

## **What to Expect Next from NRC**

In the past, dialogues on these issues have not been productive because trust and honest communication between the parties eroded. NRC will remain an integral player in the BPEC process to ensure that the interactions between BPEC members and between BPEC and other stakeholders remain on track. NRC plans to continue to represent its diverse membership while facilitating conversations that engage both the beverage industry companies and their supply partners in work with the recycling community.

While this effort is focused on beverage containers, it is imperative that collaboration with other industries also be aligned with the work, so that overall recycling rates for all material types increase – not just aluminum, glass and plastic – but also paper and steel. By developing an overall effective and comprehensive national strategy to reverse the declines in recycling, NRC will play a central role that benefits the broad, diverse and full range of its members.