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PRESIDENT’S REPORT:
OUR INDUSTRY WILL ALWAYS NEED STRONG LEADERSHIP

It's great to be back after the summer break, and I'm pleased to report that by all accounts this year's annual conference was a great success. I'm looking forward to next year's program and social gathering in Northern California. We hope, with your support, to match the CFECA outings in Napa we have had in years past, although we haven't decided just yet to bring back the grape stomping contest.

What made CFECA a success was the active participation of our members and board. As many of you know we lost one of our most passionate early leaders this summer, Emerald Packaging's Jim Kelly. Proof of Mr. Kelly's contribution is clear since he won our highest award, The Shluker Award, not only in 1987 but also in 1996. He will be missed for his wisdom and leadership, and it's reassuring that his sons continue to carry the torch with strong support for our group.

Our industry will always need strong leadership in the west, as we continue to influence policy across North America. As many of you know, later this year voters in California will have the opportunity to decide if the Bag Ban, signed by Governor Brown in 2014, will become law, making California the first state to implement a statewide bag ban. There is a provision in this Proposition allowing the sale for a 10 cpp fee, of a thicker, reusable bag incorporating 20% PCR. This fee for both paper and plastic might go directly to the grocers, depending on the outcome of a second proposition. If passed, Proposition 65 will redirect proceeds from paper and reusable bags to a special fund administered by the Wildlife Conservation Board for environmental projects, like drought mitigation and recycling rather than to the grocers.

Should the plastic bag ban, Proposition 67, pass then we need to focus on three issues relating to the sale of the reusable plastic bag.

• Where will all of this PCR come from?
• Who will certify the PCR?
• How will we validate that this PCR is incorporated in each bag?

No matter what the outcome of the election, we can be certain that our industry will continue to be targeted by environmentalists and we need to do all we can to improve plastic recovery rates and the recycling of our products before they hit landfills. Stay tuned for future developments.
IN MEMORIAM:
JIM KELLY, HIS WIT AND WISDOM WILL BE MISSED BY ALL

James Patrick Kelly
Orinda, California
March 18, 1930 – August 31, 2016

James Patrick Kelly died on Wednesday after a long battle with Melanoma. His leadership and love left an indelible mark on his family, friends, relations as far as Ireland and the business he co-founded, Emerald Packaging, Inc., in Union City, CA. He died on the 53rd anniversary of its founding.

James (“Jim”) was born in Brooklyn, N.Y. to native Irish parents and graduated from St. John’s University, N.Y. in 1952 following a stint in the U.S. Army. He received an M.B.A. in 1955 from New York University. He blazed a trail into the burgeoning plastics industry, going on to start Emerald Packaging in 1963. The company pioneered packaging for the produce industry, including premade bagged salads. Today it employs 250 people at its manufacturing facility in Union City.

Jim married his wife Rosaleen, who survives him, in 1957 and is survived by children, Jim Jr. and wife Alyssa of Walnut Creek; Kevin and wife Erin of Oakland; and Maura Koberlein and husband Derril of Castro Valley; and grandchildren Siobhan, Michael, Cormac, Maeve and Fiona Kelly and Kaleen Gallagher in addition step-grandchildren Hailey and Madison. He is also survived by his sister Mary Lynn of Brooklyn, N.Y. who was at his bedside when he died, and brother Joseph of Brooklyn, N.Y. and preceded in death by brothers Jack and Thomas. He is also survived by dozens of New York and Irish relations who heralded his success and willingness to lend a hand to immigrants.

Jim generously contributed his talent and treasure to many educational institutions, focused mainly on capital projects and financial aid to Catholic schools in the East Bay. He received honorary doctorates for his achievements and contributions from St. John’s University of N.Y. and Holy Names University of Oakland, where he served for many years on the Board of Trustees.

Friends and family are invited to a funeral Mass at Santa Maria Catholic Church in Orinda on Saturday September 10 at 10:30 with reception to follow immediately after at Claremont Country Club in Oakland. In lieu of flowers the family requests contributions be made in Jim’s memory to either St. Joseph’s Notre Dame High School, Kelly Scholarship Fund, 1011 Chestnut St., Alameda, CA 94501 or UCSF Foundation, P.O. Box 45330, San Francisco, CA 94145. “Dr. Adil Daud Research Fund” should be on the check’s memo line.

On a personal note from Laurie Hansen: it was three years ago when I last visited with Mr. Kelly, who was in the office early that morning. I asked what he was doing there since he was now retired. He replied “Laurie, I haven’t retired, I’ve just been redirected.” I laughed and laughed. Since then when people ask my husband if he’s retired, he replies – “Laurie won’t let me retire, I’m just redirected”! Each time my husband says that I think of Jim Kelly; his wit and wisdom will be missed by all.
California voters will confront a smorgasbord of policy questions on the November ballot, with initiatives ranging from marijuana legalization and the death penalty to gun control and taxes qualifying by the Thursday deadline.

The Nov. 8 ballot includes the largest number of measures—17—since 2000, when 20 measures qualified, according to the California secretary of state’s office. The most all time was in November 1914, when 48 measures appeared.

Only the Legislature can add more measures to the ballot now, and it will have little time to do so after returning from its summer recess in August.

Asked on Thursday if the crowded ballot might confuse voters, Gov. Jerry Brown told reporters, “No more than usual.”

State law sets ballot order, depending on each measure’s type and when it qualified. The secretary of state’s office will assign proposition numbers in the coming days.

Recreational marijuana
California looked poised to become the first state in the nation to legalize recreational marijuana six years ago with Proposition 19. But opponents tore into its detailed provisions and exploited vague areas of the measure that could have been spelled out more clearly. Now comes a new measure allowing adults 21 years and older to possess, use and share up to an ounce of marijuana. The campaign is supported by Lt. Gov. Gavin Newsom and funded by billionaire activist Sean Parker. Opponents so far have highlighted a provision allowing people with certain drug felony convictions to apply for a license under the measure.

Revenue bonds
Posing a threat to Gov. Jerry Brown’s plan to build two tunnels to divert water beneath the Sacramento-San Joaquin Delta to the south, this initiative would require voter approval before the state could issue revenue bonds for any project costing more than $2 billion. The initiative is backed by Dean Cortopassi, a wealthy Stockton-area farmer, and supported by the Howard Jarvis Taxpayers Association. The measure is opposed by Brown, state business and labor groups and by the California Democratic Party.

Death penalty repeal
Four years after California voters narrowly rejected an end to the death penalty, advocates are trying again. Led by former “M*A*S*H” star Mike Farrell, the measure would abolish capital punishment and replace it with life imprisonment without the possibility of parole. Supporters such as Netflix CEO Reed Hastings and Laurene Powell Jobs, widow of Apple co-founder Steve Jobs, contend that executions are costly, inhumane and bound to kill wrongly convicted people. It should be a close decision again, as a January Field Poll showed voters nearly evenly divided between repealing the death penalty and speeding up the process.

Death penalty speed-up
Stalled by legal challenges to its lethal drug cocktail, California has not executed an inmate since 2006. Former professional football player Kermit Alexander, whose relatives were murdered three decades ago by a man now on death row, is tired of it. Backed by law enforcement groups, he is pushing an initiative that would speed up the death penalty by putting the California Supreme Court in charge of an expedited appeals process. If both Alexander’s measure and another seeking to abolish capital punishment pass (Continued, see Ballot, page 4)
in November, whichever receives more votes would become law.

Bilingual education
In 1998, California voters passed a proposition banning public schools from teaching English learners primarily in their native language. Now Sen. Ricardo Lara, D-Bell Gardens, wants to repeal sections of that initiative and bring back bilingual programs, which supporters argue is just as effective at educating students as moving them into full-time English instruction right away. The measure was placed on the ballot by the Legislature’s majority Democrats, over the objections of original proponents like Silicon Valley software entrepreneur Ron Unz, who mounted a brief run for U.S. Senate this year to bring attention to the effort. But it could be a very quiet campaign, as neither side has yet raised any money.

Ammunition restrictions
Ahead of a 2018 gubernatorial run, Newsom is pursuing a high-profile gun control initiative. The proposal would institute background checks for ammunition purchases, prohibit the possession of magazines that hold more than 10 rounds, mandate reporting of lost and stolen guns, and establish a process to seize firearms from those prohibited from owning them. Gun rights and law enforcement groups oppose the measure, arguing it would do nothing to prevent criminals from obtaining weapons and ammunition via the black market or theft, but they have been vastly outraised in a state with the strictest gun policies in the country.

Income tax increase
Four years after voters approved temporary tax increases, they will be asked to extend a portion of those higher taxes for more than a decade. The measure would extend by 12 years higher income taxes on individual filers earning more than $250,000 a year, funding education and health care programs. It is supported by the California Teachers Association, Service Employees International Union and California Association of Hospitals and Health Systems. The California Chamber of Commerce opposes the measure.

Tobacco tax
With the industry still reeling from a historic set of anti-smoking laws, a coalition of labor unions, medical associations, health advocates and one billionaire environmentalist are taking another shot at tobacco. The proposal raises taxes on cigarettes by $2 a pack, to $2.87, and similarly taxes other tobacco products, as well as e-cigarettes and vaporizers. The industry has mounted well-funded opposition campaigns in defeating past tax increase efforts, but this time will face far deeper-pocketed foes.

Plastic bag referendum
The plastic bag industry is fighting a statewide ban on single-use bags passed by the California Legislature two years ago. Out-of-state plastic bag companies launched a referendum shortly after the bill passed, effectively suspending the law from going into effect. Dozens of cities and counties have enacted their own local bans, but the bag industry is spending millions in hopes of overturning the statewide ban.

5 things to know: California’s plastic bag vote
Will Golden State shoppers ditch plastic bags? Before the statewide vote, brush up on the five things you should know about the plastic bag ban in California. Learn who is on both sides of the issue impacting consumers, manufacturers, and the environment.

Plastic bags II
Grocers call it big plastic’s revenge, while the industry says it’s simply creating good public policy. Whatever the motive, the plastic bag industry has coupled the referendum to overturn a statewide bag ban with a ballot measure to divert profits from bag sales away from grocers and into an environmental fund.

Citizens United
In a measure with no legal force, this question asks voters whether elected officials should “use all of their constitutional authority,” including proposing an amendment to the U.S. Constitution, to reverse the U.S. Supreme Court’s controversial Citizens United decision on campaign financing. That court ruling held that First Amendment free-speech protections prohibit limiting independent campaign expenditures by corporations and labor unions.

Drug price caps
The initiative would prevent the California government from spending more on a prescription drug than the lowest price paid by the U.S. Department of Veterans Affairs. Michael Weinstein, head of the sponsoring AIDS Healthcare Foundation, believes it will immediately lower drug prices for some Californians, then have what the campaign calls a “cascade effect” on prices broadly. Critics, led by drug manufacturers, are prepared to mount a well-funded opposition campaign. They say it excludes the vast majority of residents, will lead to more bureaucracy, and ultimately do little to lower prices for anyone.

Condoms
Is porn safe for performers?
That’s the central question informing this measure requiring adult film stars to wear protection. Its proponent, AIDS Healthcare Foundation head Weinstein, points to repeated instances over the last decade of performers testing HIV-positive. The film industry insists those transmissions occurred outside of regulated shoots and argues its suggested protocol of regular testing has worked well. Mandating condoms, opponents warn, would drive shoots underground or out of state.

(Continued, see Ballot, page 5)
Criminal justice
In a sweeping effort to reduce prison crowding and ease effects of California’s fixed-term sentencing standards, the initiative would make some nonviolent felons eligible for early parole and give the Department of Corrections and Rehabilitation authority to award credits for good behavior. The initiative is backed by Gov. Jerry Brown, who signed—and later came to regret—more rigid sentencing standards when he was governor before, from 1975 to 1983. Brown has millions in his campaign account, but it remains unclear how much opponents, led by the California District Attorneys Association, can muster.

School construction bonds
The $9 billion borrowing measure is the first statewide school bond measure to go before voters in a decade. Developers, school builders and school officials led the campaign to put the bond issue before voters after multiple attempts to do the same in the Legislature failed to advance. Brown, who has sought to minimize the state’s involvement in local school construction, has criticized the measure. But supporters say it would meet a crucial need for more state school construction money and prevent steep hikes in local fees on new homes to make up the difference.

Hospital fees
Seven years after lawmakers first approved the charge, the measure would lock into place the quality assurance fee on hospitals. Supported by hospital groups, the fee saves the state general fund several hundred million dollars annually as well as helps pull down several billion dollars in federal money that helps pay for Medi-Cal and other programs. Last month, lawmakers voted to extend the fee another year. Supporters, led by the California Hospital Association, say they want the ballot measure to eliminate any questions about the fee’s future. There is no opposition.

Legislative transparency
Perhaps no individual has played a larger role in California politics in the past decade than Charles M. Munger Jr. The Stanford physicist, who has given millions to Republican candidates and other causes over the years, has teamed up with former GOP lawmaker Sam Blakeslee to change how the Legislature conducts its business. Lawmakers could not pass any bill that has not been in print and published on the internet for at least 72 hours. It also requires the Legislature to post videos of all of its proceedings.

The Editor of The WPA Today and the WPA Board of Directors approved the information on the two California Ballot Initiatives dealing with carryout bags. This information was taken from “Ballotpedia,” a reporting online encyclopedia of political races across the nation. We do not agree or disagree with the information reported by this publication. However, Ballotpedia is a neutral reporting party and the information they provide appears to be complete.

Ballotpedia can be found at https://ballotpedia.org.

Here is more information about Ballotpedia:

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Our full scope is available here.

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Learn more on our page about what people are saying.

Balloons Initiatives:  
California Proposition 67, Plastic Bag Ban Veto Referendum (2016)  
From Ballotpedia

The California Plastic Bag Ban Veto Referendum, also known as Proposition 67, will be on the November 8, 2016, ballot in California as a veto referendum. A “yes” vote is a vote in favor of upholding or ratifying the contested legislation banning plastic bags that was enacted by the California State Legislature under the name Senate Bill 270. A “no” vote is a vote in favor of overturning Senate Bill 270.

Another measure relating to grocery bag consumption, Proposition 65, will appear on the November 8, 2016, ballot in California. The measure would allocate revenue generated from the sale of disposable carryout bags, specifically paper bags, to the Wildlife Conservation Fund. If the measure receives more “yes” votes, this allocation provision would supersede Proposition 67’s allocation provision.

The American Progressive Bag Alliance, an opponent of the measure, is leading the “No” campaign to repeal SB 270. Yes on 67, a coalition of environmental groups, grocers, and others, is leading the “Yes” campaign to uphold SB 270.

**Overview**

If Proposition 67 is approved by the state’s voters, it would:

- Ratify Senate Bill 270 (2014).
- Prohibit large grocery stores and pharmacies from providing plastic single-use carryout bags and ban small grocery stores, convenience stores and liquor stores from doing so the following year.
  - Allow single-use plastic bags for meat, bread, produce, bulk food and perishable items.
  - Mandate stores to charge 10 cents for recycled, compostable and reusable grocery bags.
  - Exempt consumers using a payment card or voucher issued by the California Special Supplemental Food Program from being charged for bags.
  - Provide $2 million to state plastic bag manufacturers for the purpose of helping them retain jobs and transition to making thicker, multi-use, recycled plastic bags.

**Text of Measure**

**Ballot Summary**

“A “Yes” vote approves, and a “No” vote rejects, a statute that prohibits grocery and other stores from providing customers single-use plastic or paper carryout bags but permits sale of recycled paper bags and reusable bags. Fiscal Impact: Relatively small fiscal effects on state and local governments, including a minor increase in state administrative costs and possible minor local government savings from reduced litter and waste management costs.”

**Fiscal Impact**

Note: The fiscal impact statement for a California ballot initiative authorized for circulation is jointly prepared by the state’s legislative analyst and its director of finance.

The fiscal impact statement for this initiative is:

“Relatively small fiscal effects on state and local governments. Minor increase of less than a million dollars annually for state administrative costs, offset by fees. Possible minor savings to local governments from reduced litter and waste management costs.”

The full text of the initiative measure is available here.

California Proposition 65, the Dedication of Revenue from Disposable Bag Sales to Wildlife Conservation Fund Initiative, will be on the November 8, 2016, ballot in California as an initiated state statute.

A “yes” vote is a vote in favor of redirecting money collected from the sale of carry-out bags by grocery or other retail stores to a special fund administered by the Wildlife Conservation Board.

A “no” vote is a vote against redirecting money collected from the sale of carry-out bags by grocery or other retail stores to a special fund administered by the Wildlife Conservation Board.

OVERVIEW

What would this measure do?
Proposition 65 was designed to require all revenue generated by state-mandated sale of carryout bags to be earmarked for special fund for specific categories of environmental projects. The fund would be managed by the Wildlife Conservation Board.

Ballot title
The official ballot title is as follows:
“Carry-Out Bags. Charges. Initiative Statute.”

Ballot summary
The long-form ballot summary is as follows:
• “Redirects money collected by grocery and certain other retail stores through sale of carryout bags, whenever any state law bans free distribution of a particular kind of carryout bag and mandates the sale of any other kind of carryout bag.

• Requires stores to deposit bag sale proceeds into a special fund administered by the Wildlife Conservation Board to support specified categories of environmental projects.

• Provides for Board to develop regulations implementing law.”

The full text of the measure is available, click here.

The San Diego City Council has voted to ban plastic bags at large grocery stores, pharmacies and other markets, making San Diego the 150th municipality in California to limit use of the items.

Once the ban takes effect, large grocery stores will have six months to comply, while smaller convenience stores will have a year. After that grace period, stores could be fined up to $2,500 a day if they aren’t in compliance.

Stores will also be required to track the number of paper bags they hand out to customers during the first three years of the ban. The ordinance calls for retailers to charge 10 cents for those bags.

The ban doesn’t include restaurants or department stores, and it doesn’t prohibit smaller plastic bags used for produce or meat, according to the San Diego Tribune.

The ban comes before a November election where California voters be presented with two plastic bag initiatives. One asks voters whether or not the state’s bag ban should be overturned, and the other asks voters to redirect the 10-cent fee grocers collect from each paper bag sold to environmentally focused projects. Both of those initiatives are backed by the American Progressive Bag Alliance (APBA), a group made up of bag manufacturers and resin companies.

In fall of 2014, California became the first state to pass a statewide ban on plastic bags, but the legislation has yet to take effect because opponents were able to bring the issue to voters.

San Diego officials predict the ban will eliminate about 95 percent of all plastic bags handed out in the city.

Representatives from APBA said the group opposes San Diego’s recent decision.

“It’s disappointing that San Diego politicians today put the interests of corporations over families,” said Lee Califf, executive director of APBA. “Like other local bag ordinances in California, this law will do nothing to benefit the environment or residents while letting grocers make millions annually in new bag fees.”

BAGS:
MORE PLASTIC BAG RULES COMING FOR SEATTLE
BY JOSH GREEN, KING

There’s been a 50 percent decline in the amount of bags going into the garbage from Seattle’s residential sector, Seattle Public Utilities announced Tuesday. But residents and businesses should expect more changes in the near future.

The plastic bag ban took effect in 2012, but some businesses, like fast food restaurants, can still give out plastic bags.

Between 2010 and 2014, the amount of plastic bags in residential garbage declined from 262 tons to 136 tons, according to Sego Jackson, project manager for project stewardship at Seattle Public Utilities.

“The large retailers, the large apparel stores and grocery stores are pretty much fully compliant,” Jackson said.

There is a $250 fine for businesses that continue to give out plastic bags after warnings, but the city has never used it.

“There hasn’t been a need to in terms of the stores we’ve gone in to and found there’s non-compliance,” Jackson said. “We send them a warning letter and follow up with a visit.”

Smaller groceries and convenience stores are typically where those conversations take place, he said.

Now SPU is planning to suggest a change in what colored bags exempt businesses can give out.

“The problem with these green bags is that one of these is compostable and the other is not and the public can’t tell the difference,” Jackson said as he held up two bags.

He said it becomes a problem when people put their food waste into the curbside yard debris program, using bags that aren’t compostable. He said it’s difficult and expensive to separate out the types of plastics contaminants of the compost.

“What we think needs to happen is to restrict the green coloration to compostable bags only and not allow it for the petroleum bags,” he said.

The proposed changes will be introduced to councilmembers later this year. They would decide whether or not to approve them. SPU also plans on suggesting extending a rule that retailers charge 5-cents for paper bags. That part of the ordinance was supposed to end in December of this year.

“The paper bags are actually quite expensive so that helps offset the cost,” Jackson said, adding it’s also supposed to encourage shoppers to bring their own reusable bags.

There’s been a repercussion of the law though: some retailers have complained about the cleanliness of reusable bags.

“One association with whom SPU spoke identified this as a major concern for the health of customers and staff bagging customer groceries,” a report to city council read. “To address this concern, SPU will … publicize the important of regularly washing reusable bags.”

BAGS:

SEATTLE BAG BAN COUNCIL UPDATE

BY RAY HOFFMAN, SEATTLE PUBLIC UTILITIES DIRECTOR

In 2011, Seattle City Council passed Ordinance Number 123775 banning the distribution of single-use plastic and biodegradable carryout bags. Section 5 of the ordinance requires Seattle Public Utilities (SPU) to provide a report to City Council covering various aspects of the ban by July 1, 2016. This memorandum provides that update.

To prepare this report, SPU collected information regarding plastic bag bans throughout the state and nation, conducted random plastic bag ban inspections at various businesses in Seattle, solicited feedback from selected stakeholders, and analyzed SPU’s waste reports.

This assessment has determined there is a growing movement to ban single-use plastic bags across the state and country. While Seattle’s bag ban has been effective in reducing the number of plastic bags distributed throughout the city, there are also opportunities for improvement in compliance, education, and policy.

State and National Plastic Bag Bans

Plastic bag bans are proliferating through the state and across the country. In Washington, twelve jurisdictions have passed bag bans since Seattle adopted its bag ban ordinance; many of those jurisdictions have modeled their bans directly after Seattle’s.

Bag bans are also under current consideration in additional cities including Tacoma. Washington state local governments are not alone in addressing wasteful and polluting single-use plastic bags. Jurisdictions in twenty-one states have some sort of plastic bag ban in place. Since Seattle passed its bag ban, it has been joined by other major cities including Austin, Chicago, New York City, Minneapolis, Honolulu, and Boston.

Click here to read the full Council Update memorandum.

Reprinted from Seattle Public Utilities memo, July 1, 2016.
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Data from Smithers Pira (smither-spira.com) forecast steady growth across the packaging industry—pushing a market valued at $839 billion in 2015 to expand at 3.5% year-on-year and reach a total value of $997 billion in 2020. As this happens sustainability will become an increasingly important factor for decision makers at all stages of packaging value chains.

Sustainability is now a fast-growing and vitally important area of concern for packaging and addresses economic, environmental and social objectives. Consequently the Ten-Year Forecast of Disruptive Technologies in Sustainable Packaging to 2026 report also examines topics which inform choices about packaging design and technology, such as:

- Consumer preferences
- Environmental group pressures
- Rising eCommerce volumes
- Government regulations
- Supply chains pressures
- The evolution of the circular economy principles.

“The trend toward sustainability is an important influence on the packaging industry. Consumers, manufacturers and retailers are all demanding more sustainable systems which are formalized in corporate social responsibility goals and publicized in product marketing,” states Dr. Terence A. Cooper, author of the report.

“Consequently, sustainability is no longer just nice to have, but is now seen as a necessity for attracting consumers and protecting market share—i.e. it is now an expectation, not a differentiator.”

End-of-life recyclability has often been emphasized for packaging sustainability while the beginning of the package life cycle has been relatively ignored. However, mechanical recycling and sustainability are not synonymous and many different factors contribute to the carbon footprints of different packaging types and materials. For example, pouches are more difficult to mechanically recycle than other formats, but provide large savings in materials and energy consumed in both their production and transport.

The most important rigid packaging plastic is polyethylene terephthalate (PET), followed by polyethylene (PE); and that PET and PE combined account for about 65% of plastics used for rigid packaging. Polypropylene (PP) follows third. In contrast, the most important plastic material used for flexible packaging is PE, followed by PP and PET.

There has been continuing success in lightweighting packaging, particularly rigid packaging, and in replacing rigid formats with flexible packaging systems, particularly new pouch structures. However, there is presently no package that is completely sustainable and the various packaging materials (including plastics, paper, paperboard, metals and glass) cannot be unequivocally classified as good or bad. All have their advantages and shortcomings depending upon the product application, and trade-offs are necessary to arrive at an optimum compromise position.

Smithers Pira’s report identifies and assess technology trends which will impact adoption of sustainable packaging principles by the packaging industry over the next ten years to 2026. More specifically, it uncovers developments and changes which can be considered to be disruptive rather than simply evolutionary, where a disruptive technology is defined as a new or emerging technology or factor which could eventually replace an existing technology, conventional material or design, or market position and cause significant changes in the packaging industry itself and industries which use packaging.

SUSTAINABILITY:
WHY DID WALMART TAKE THE UNUSUAL STEP TO TACKLE CHEMICALS?

BY MICHELLE MAUTHE HARVEY, ENVIRONMENTAL LEADER

Walmart recently announced progress on its groundbreaking Sustainable Chemistry Policy, a 2013 plan that set the stage for some 700 suppliers to rethink how they make more than 90,000 home and personal care products.

Result: The world’s largest retailer drove out more than 11,000 tons—23 million pounds, or 95 percent by weight—of prioritized chemicals from that group of products in less than 30 months.

A lot still remains to be done. But this story is a good one and Walmart’s leadership, sustainability team and buyers deserve credit for what they accomplished.

What’s perhaps equally extraordinary is that they chose to do so at all.

Sustainability wins are typically also economic wins. Reduce greenhouse gas emissions, and your energy expenses drop. Address water use in drought-prone areas, and you avoid costly supply chain disruptions that cause price spikes and make customers unhappy.

But chemicals? The business case can be thin to none.

Changing chemicals is difficult and risky
Even when the science says it’s time to make a change because one or more legal ingredients we once believed to be safe turn out not to be—changing a product formula without changing the product can be difficult. It also takes time: on average 18 to 24 months.

Product ingredients are the smell, the feel and the way a product cleans or softens or does whatever it’s supposed to do. Change it, and you risk sales if customers reject the alternative.

There are few-to-no marketing wins here, either. Despite the fact that pretty much everything and everybody is a chemical mixture, people don’t want “better” chemistry. They want no chemistry, and keep looking for chemical-free products that don’t exist.

Walmart decided to tackle ingredient chemistry anyway. It begs the question: Even with years of persistent nudging from Environmental Defense Fund, why would Walmart do this?

Three plausible business reasons
One answer is that customers—along with scientists, advocates and bloggers—were really starting to voice concerns over chemicals in products, so it made good business sense to respond.

Another is that the timing was right. A lot of companies were already making formulation changes, so a request for improvements could be achievable.

Also important to note is that Walmart and other retailers have paid hefty fines over improper product disposal. So eliminating regulated substances from product ingredients could reduce the risk of more penalties.

All three are plausible business reasons. You’ll have to ask Walmart why to get their answer.

But what I’ve experienced—and the reason I’ve stayed in Bentonville for almost 10 years—is what’s stated in Walmart’s sustainable chemistry policy itself: “Walmart and Sam’s Club believe that customers/members should not have to choose between products that they can afford and products that are better for them and the environment.”

The people with whom I’ve worked at Walmart, especially on product chemistry, live by that statement.

(Continued, see Chemistry, page 15)
Idea rippled through industry
When Walmart released its policy, the company didn’t just call for the ouster of the high-priority chemicals. Walmart took a leadership stance.
Walmart committed to making the product ingredients transparent to customers. The company embraced informed substitution, which means it’s intent on making sure that ingredients targeted by the new policy are replaced with better ones.
And for its private brand products, Walmart set its sights on Safer Choice, a voluntary labeling program administered by the U.S. Environmental Protection Agency that requires every ingredient to be as safe as possible.
Target’s chemicals initiative was announced shortly afterwards.
The ripple effect spread across the personal-care products industry, with companies such as Johnson & Johnson and Colgate-Palmolive following with their own chemicals-focused efforts.

So let’s stop a moment and give credit where credit is due—to the people who chose to make things better, whatever their reasons. 

Eleven years ago, Wal-Mart Stores President and CEO Lee Scott announced the beginning of Wal-Mart's sustainability leadership.

Inspired by Wal-Mart’s disaster relief efforts after Hurricane Katrina hit New Orleans just a month before—moments that showed “Wal-Mart at its best”—Scott laid out Wal-Mart’s new sustainability plan in a presentation broadcasted to all Wal-Mart stores and distribution centers. Wal-Mart is in an advantageous position to respond to threats to the earth’s environment, Scott said, just as it responded in New Orleans by leveraging its impressive distribution network to get critical supplies to those who needed them most.

“The environment is begging for [everyday low cost] ... for the Walmart business model. And if we do that, everyone will benefit,” Scott said.

Scott laid out three broad sustainability goals for the company:
1. Wal-Mart would be supplied 100% by renewable energy
2. Wal-Mart would eliminate waste in its operations
3. Wal-Mart would create more sustainable products for its customers

These objectives have since become the driving force behind Wal-Mart’s commitment to sustainability, pushing the company to not only look for efficiencies in its own operations, but also looking at its suppliers and distribution networks.

Fast-forward 11 years—Wal-Mart is now a sustainability leader in the retail sector.

It is the leading company in the U.S. for total on-site solar capacity and installations, topping both lists from the Solar Energy Industries Association, which include fellow retailers like Walgreens, Kohl’s, Target, and Apple. Currently, 25% of Wal-Mart’s operations are powered by renewable energy, including solar panels and wind turbines, with plans to double that number by 2020. Paired with Wal-Mart’s goal to cut energy consumption in stores by 20%, the retailer estimates it will save $1 billion a year thanks to these initiatives.

Wal-Mart has also reduced plastic bag waste from its stores by more than 38% since 2005, and has diverted 81% of materials from its U.S. stores and distribution centers from landfills. In fiscal 2016, Wal-Mart reduced its CO2 emissions by nearly 650,000 metric tons by doubling the efficiency of its fulfillment operations.

These are impressive figures, to be sure. But while Wal-Mart leads many U.S. retailers with its sustainability efforts, it remains relatively quiet about them, especially when compared to the green, environmentally friendly branding of retailers like Patagonia, REI, or Whole Foods. Wal-Mart primarily lets the numbers do the talking, painting its sustainability efforts as more of a business choice than a move fueled by concern over climate change and global warming.

This might strike some as a missed opportunity—Wal-Mart essentially passing on a way to attract a more diverse consumer base and bring itself positive press. But experts tell Retail Dive that this is likely a calculated move, one the company uses to avoid judgment from critics and customers alike.

“On the scale of what needs to be done for sustainability, no company or few companies can do it all. The minute that you start saying ‘hey look at me!’ you invite people to hey, look at you, and they’ll find something that you’re doing that does not align with that,” Allen Adamson, founder of Brand Simple Consulting, told Retail Dive. “Since you often can’t change everything, the prevailing conventional wisdom in marketing and sustainability is ‘do more, talk less.’”

Read more on how Wal-Mart thinks about sustainability.

PROPOSITION 65 HURTS CALIFORNIANS, AND USELESS WARNINGS ARE COMING

BY DR JOSEPH PERRONE, FOX & HOUNDS CONTRIBUTOR

They say the definition of insanity is doing the same thing over and over again, but expecting different results. So what are we to make of the Office of Environmental Health Hazard Assessment’s (OEHHA) doubling down on Prop 65, the California chemical labeling law that is as ubiquitous as it is meaningless?

Recently, OEHHA Acting Director Lauren Zeise claimed in a Fox and Hounds commentary that “this landmark law has provided Californians with significant health benefits.” But where’s the proof? California Polytechnic State University professor Michael Marlow found no evidence that Prop 65 has reduced cancer rates among Californians, stating “there isn’t a single empirical study that demonstrates any public-health benefits.”

Prop 65 has been around for three decades. And with zero studies showing any benefit, you could forgive Californians for wondering why their public health officials continue to pretend otherwise.

But rather than revisiting the law’s utility, OEHHA has proposed changes to Prop 65 that don’t make meaningful reform. OEHHA wants to make the label even more startling to consumers by including a warning symbol. This may get attention and raise blood pressure, but it doesn’t communicate actual risk. OEHHA would also require warnings to list a specific chemical, but how many consumers know what diethylhexyl phthalate is?

The labels will still lack meaningful information for consumers because they don’t put risk into context. Take the chemical acrylamide for example. It’s on the Prop 65 list, and it’s found in potato chips, French fries, and coffee. But you’d have to eat 182 pounds of French fries every day to consume cancer-causing levels of acrylamide. A warning label for acrylamide on a box of fries or a bag of chips doesn’t tell consumers anything.

The problem is that the labels don’t distinguish low from high risks—and it’s desensitizing people to the real ones. If the acrylamide warning is so overblown, why should Californians take labels for the other 860 chemicals seriously?

The contents of chemical labels need to be in context for consumers. If people know the risks, they can make informed choices. But neither the proposed labels, nor the new OEHHA Prop 65 website, provide information about risk levels.

Second, a massive predatory industry has developed among lawyers and environmentalists who shakedown businesses that run afoul of Prop 65’s regulations. Last year alone, businesses paid $26.2 million in Prop 65 settlements, with 68% going to pay attorneys’ fees.

OEHHA’s proposed Prop 65 changes are weak and fail to fix the problems. Nonetheless, OEHHA defended them with a survey which “showed 77% (Continued, see Useless, page 18)
found the new warnings more helpful than the existing warnings." However, consulting public opinion on scientific nuance is a dangerous game. After all, another recent study found that 80 percent of consumers want to label food products containing DNA. (All food has DNA.)

OEHHA could propose smarter reforms. By deferring to authoritative bodies—like the International Agency for Research on Cancer (IARC) or the U.S. Environmental Protection Agency (EPA)—on which chemicals are safe, and not just carcinogenic, OEHHA would be following the best available science. By raising the burden of proof to significant exposure to chemicals before a business can be liable for failing to warn a customer, OEHHA would diminish the number of bounty hunter lawyers and unplug the court system by following common sense.

Everyone make mistakes, especially government agencies. But when it comes to questions of health and accuracy, there isn’t time for pride. OEHHA needs to admit its mistakes, and start keeping Californians safe with common sense and the best available science.

Dr. Joseph Perrone is chief science officer for the Center for Accountability in Science.

PROP 65 TOXICS:  
JUNK SCIENCE IS HAZARDOUS TO YOUR HEALTH  
BY DR JOSEPH PERRONE, OC REGISTER CONTRIBUTOR

Have you heard about the latest study? Coffee fights cancer. Pizza and French fries are as addictive as crack. Midnight snacks hamper our ability to retain memories.

Actually, what’s really bad for our brains is all the junk science being reported as gospel.

According to Pew Research, “79 percent of scientists believe it is a major problem for science that news reports don’t distinguish between well-founded and non-well-founded scientific findings.” The cable TV comedian John Oliver recently took to the airwaves to blast the media for dividing public opinion and scientific knowledge. He and scientists are right to be critical.

Despite endless reports on the “latest study,” most reporters aren’t trained to evaluate research. Journalists report things which seem bizarre or scary because they grab viewers and draw website clicks. They rely on press releases distributed by university press offices that are designed to attract journalists’ attention, and often overstate the conclusions of the actual research. When journalists get a hold of the release, they may make another intellectual jump in order to create an attention grabbing headline. All of this effort to get attention often comes at the expense of the study’s context and limitations.

This system helps the scientist’s career and the university’s prestige, and the reporter gets a good scoop. But the current system often confuses public understanding of the relative risks they take on a daily basis. Science requires large sample sizes to confirm or disprove previous findings. A single study is not statistically significant enough to declare a new fact.

Further, any researcher will tell you that some studies are better, whether it’s their methodology or weight of evidence. Unfortunately for science, media attention gives things the sheen of importance or authority, which creates the illusion that all studies are equal.

This leads to another problem. By reporting “non-well-founded” findings, the media construct public skepticism toward things that scientists have agreed are “well-founded.” In the world of cable news, a poorly done new study might be debated by two people—a supporter and a detractor—but the format itself implies that each side is equally right. At best, the media break two beakers with one stone by promoting scientific illiteracy and restraining empirically supported laws and policies. At worst, it destroys public trust in science.

Genetically Modified Organisms are a great example of public skepticism skirting empirical evidence. The World Health Organization says GMOs “are not likely to present risks for human health.” There are nearly 2,000 studies affirming the safety of GMOs. And every major global health and scientific institution agrees: GMOs are safe. American scientists are no exception, as Pew Research shows 89 percent of them think that GMOs are safe to eat.

But with popular figures like Dr. Oz running a GMO segment titled, “The Global Conspiracy to Keep You from Knowing the Truth About Your Food,” it’s no wonder only 37 percent of Americans agree that GMOs are safe to eat.

Public passion also outweighs evidence regarding Bisphenol A. Both the European Food Safety Agency and the U.S. Food and Drug Administration have reviewed hundreds of studies on BPA. The EFSA found that “BPA poses no health risk to consumers because current exposure to the chemical is too (Continued, see Junk, page 20)
low to cause harm,” and the FDA stated that “BPA is safe at the current levels occurring in foods.” Despite the science, headlines like “Another sign of BPA’s dangers” cause Americans to remain afraid.

In reality, you’d have to eat about 30 pounds of canned food every day to cause a problem from BPA. At that point, the risk of your stomach exploding is a much bigger concern!

But that also means you could design a study exposing rats to, say, hundreds or thousands of times the amount of BPA that humans are exposed to. You might well find negative effects at the exposure—which would allow for scary headlines that the media frequently pick up and pump out to the public, even if it’s meaningless for human health.

Too often, the media don’t mention it’s the dose that makes the poison. Even water and Vitamin D will kill you if you consume too much of them. The threat of science losing sway in the public square is a serious one in our time, which is why we need to renew our respect for it.

A good start is to forget the sensationalism. Fortunately, that advice isn’t rocket science.

Dr. Joseph Perrone is chief science officer for the Center for Accountability in Science.

This year is the 30th anniversary of California’s chemical warning law, Proposition 65. To mark the occasion, I published an article in the Journal of Business & Technology Law outlining the law’s biggest flaws—the lack of adequate information provided to consumers through Proposition 65 warnings and the abuse of the law by bounty hunters. My article offers alternative approaches to Proposition 65.

Since its overwhelming passage in 1986, it’s become nearly impossible in California to avoid seeing Proposition 65 warnings. Hotels, restaurants, ballparks, parking garages, office buildings, amusement parks, and pools, along with thousands of consumer products, warn Californians (and many outside California) of possible exposure to carcinogens or reproductive toxins.

Part of the reason for this warning explosion is the sheer number of chemicals identified by California as carcinogens or reproductive toxins. The list has grown to more than 800 chemicals with no end in sight, and more chemicals beget more ill-informed warning labels that provide little useful information to consumers.

These warnings aren’t required if businesses can show that exposure to a listed chemical is below a so-called safe harbor level. But the state of California’s penchant for adding chemicals to its warning list has far surpassed its ability to establish safe harbor levels for every chemical. Thus, businesses often opt to over-warn by providing a warning even when consumers are exposed to little if any of a Prop 65-listed chemical.

Businesses also over-warn to protect themselves from bounty hunter lawsuits. As many of those who opposed Prop 65’s passage in 1986 foretold, the law has become a “bonanza for private lawyers.” Bounty hunters filing lawsuits against businesses can collect a portion of the civil penalties, on top of attorney fees. Winning a Prop 65 lawsuit is difficult, costly, and time consuming for businesses—unlike most environmental and health statutes, Prop 65 shifts the burden onto businesses to prove that an exposure to a listed chemical is below the safe harbor level. Not surprisingly, businesses generally opt to settle with bounty hunters.

There has been a long string of attempts to reform Prop 65, but the state has yet to fix these key problems. The latest reform proposal does little to improve the usefulness of these warnings for consumers.

Warnings will come with a pictogram “hazard” symbol and name at least one listed chemical, but businesses would be barred from providing consumers with factual information that puts warning in context for consumers—even information from federal agencies like the U.S. Food and Drug Administration. Consumers looking for more information will be referred to a state-run website that offers very little helpful context about health risks.

This website has already launched, and you can click here to read more about the problems with the website.

There are undoubtedly other approaches that could serve to redress Prop 65’s warnings and its other flaws, which I’ve highlighted in my journal paper, available for download here.

Until significant changes are made, bounty hunters continue to thrive, benefits remain elusive, and the costs on businesses, consumers, and taxpayers continue to mount.

PROP 65 TOXICS:
PROP 65 WARNING LABELS ARE JUST LAWSUIT MAGNETS
BY DR JOSEPH PERRONE, MERCURY NEWS CONTRIBUTOR

Lawyers can get quite creative when it comes to legal schemes shaking bucks out of businesses. But two new lawsuit notices filed in June might take the cake for audacity. The lawyers are now claiming that businesses across California are failing to warn consumers about the public health hazard of—drum roll, please—water bottles and receipt paper.

Welcome to the latest chapter in California’s Proposition 65 madness.

Last month, lawyers gave notice to the California Attorney General that they intended to file suit over water bottles and receipt paper containing Bisphenol A (BPA). It’s not the first suit, and it won’t be the last, since BPA is widely used—in electronics, plastics and can linings of food and beverage products.

Businesses should brace themselves, because California’s labeling law, Proposition 65, allows anyone to sue a business if it doesn’t post a warning label. And with a light burden of proof on plaintiffs, low risk and high rewards, bounty-hunting lawyers have a cottage industry in shaking down businesses with lawsuit threats. In 2015 alone, these so-called “bounty hunters” collected more than $26 million in settlement payments from businesses—68 percent of which ($18 million) went to lawyers.

Now, the floodgates are open, and either consumers get drowned in warning labels, or businesses get drowned in lawsuits. So how did we get here?

While Prop 65 was sold to voters in 1986 as a “safe drinking water” law—and everyone supports safe water—it was crafted in such a way that rigs the deck for lawyers while failing to provide meaningful information for consumers.

A fundamental principle of toxicology is that the dose makes the poison. People can die from consuming too much water or baking soda. The mere presence of a chemical does not mean there is harm to people.

For example, take acrylamide, which is found in foods like potato chips and french fries and in coffee. It is blacklisted under Prop 65. Yet, one would have to eat 182 pounds of french fries every day to consume cancer-causing levels of acrylamide. If you eat that many fries, you’ve got more immediate problems than an increased risk of cancer.

Yet, because Prop 65 requires businesses to warn consumers about mere exposure to a chemical—not a legitimate risk—we’ve seen warning labels pop up ubiquitously on products as businesses try to avoid getting sued.

This farce doesn’t just hurt small businesses. One out-of-state manufacturer of safety equipment for the elderly lost tens of thousands of dollars for not having warning labels. Once again, there was no legitimate public health issue—unless California’s nursing home set decides to start eating the handles on safety appliances—and the lawyers walked away with an easy payday.

The California Office of Environmental Health Hazard Assessment has proposed changes to Prop 65, such as making warning labels scarier and requiring the naming of specific chemicals on a label. These are distractions. Without accurately communicating risk—or the lack thereof—or reforming the “bounty hunter” provisions, these changes won’t help average Californians.

California needs to reform Prop 65, or consumers and businesses will continue to lose while a handful of lawyers continue to make out like bandits. That’s a warning you can take to the bank.

Dr. Joseph Perrone is chief science officer for the Center for Accountability in Science.

WE CLOSE THE LOOP.
EREKA. Efficiency in plastic recycling.

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CHOOSE THE NUMBER ONE.
THE REPORT RECOMMENDS STEPS TO HELP FURTHER REDUCE PLASTICS’ OVERALL ENVIRONMENTAL COSTS.
As recycled resin markets struggle, San Francisco leaders have called for a statewide bill mandating at least 25 percent recycled content in all single-use plastic beverage containers.

The City and County of San Francisco Board of Supervisors approved a resolution asking state lawmakers to introduce and pass a bill mandating all single-use beverage containers have at least 25 percent post-consumer content. The resolution asks for a law applying to all beverage containers but specifically mentions the greenhouse gas benefits from recycling PET and HDPE.

Advocacy group Californians Against Waste (CAW) recently wrote about the resolution. Last year, lawmakers in California introduced legislation mandating PET bottles contain at least 10 percent recycled content. A bill analysis at the time said Coca-Cola used an average of 6 percent recycled content in PET bottles and PepsiCo used an average of 10 percent recycled content in its bottles. Five of Nestle’s brands used a range of 50 percent to 100 percent recycled content. That bill, Assembly Bill 1447, died earlier this year.

CAW said the drastic drop in oil prices has undermined the demand and price for recycled materials collected in California.

“The drastic drop in oil prices has undermined the demand and price for recycled materials,” according to CAW.

The resolution noted that about half of California’s PET bottles collected for recycling are sent out of state or exported to other countries.

Low recovered plastics values are also contributing to upstream closures of redemption centers, prompting legislators to advance a bill boosting subsidy payments to stem the tide of closuress.

“California recycled material processors and recycled product makers are starting to lose market share to out-of-country virgin plastic material producers,”


THE DRASTIC DROP IN OIL PRICES HAS UNDERMINED THE DEMAND AND PRICE FOR RECYCLED MATERIALS.
THE REPORT PROVIDES AN UPDATE ON THE MOST RECENT RESEARCH RELATED TO RESOURCE RECOVERY OF FLEXIBLE PACKAGING.

The Flexible Packaging Association (FPA) is pleased to announce the release of its recent report, Flexible Packaging Resource Recovery Update. The Report provides an update on the most recent research findings, pilots, and other activities related to resource recovery of flexible packaging. It also includes a summary of the various projects, collaborative pilots/trials, municipal work groups, municipal collection programs and alternative collection/recovery models.

The Report includes several matrix:

- Flexible Packaging Recovery Current Pilot Summary
- Package to Resin Conversion Technology
- Waste-to-Energy/Waste-to-Fuel Process Comparison
- Selected Pyrolysis Technology Providers
- Flexible Packaging Recovery Industry Work Groups
- "Who's Doing What" Flexible Packaging Recovery Initiative Summary

The Report compiles the latest flexible packaging resource recovery efforts in a single document and discusses the goals, deliverables, and key learnings of each.

Engaging stakeholders is critical to FPA’s ongoing work to the development of viable recovery options. Stakeholders include waste management companies, municipalities, non-governmental organizations, consumers, consumer product manufacturers, retailers and industry associations.

ABOUT THE FLEXIBLE PACKAGING ASSOCIATION (FPA)

The Flexible Packaging Association is the voice of the U.S. manufacturers of flexible packaging and their suppliers. The association’s mission is connecting, advancing and leading the flexible packaging industry. Flexible packaging represents over $31 billion in annual sales in the U.S. and is the second largest and one of the fastest growing segments of the packaging industry. Flexible packaging is produced from paper, plastic, film, aluminum foil, or any combination of those materials, and includes bags, pouches, labels, liners, wraps, rollstock, and other flexible products.

CALIFORNIA RECYCLING LEVELS FALL BELOW 50% FOR FIRST TIME IN YEARS

BY BRENDAN WARD, CALIFORNIANS AGAINST WASTE

California's overall recycling rate fell to 47 percent in 2015, below the 50 percent or better rates achieved since 2010, and far short of the 75 percent goal set by the legislature for 2020.

The newly released data from California Department of Resources Recycling and Recovery (CalRecycle) shows that disposal amounts increased by 2 million tons in 2015 compared to 2014, resulting in more waste, higher costs and an additional 200,000 tons of direct greenhouse gas emissions.

"At a time when Governor Brown and state policy makers are receiving deserved recognition for the adoption of many nation-leading policies to reduce pollution and protect the environment, the downturn in the state's recycling efforts stands out as an embarrassing blemish," said Mark Murray, Executive Director of the environmental group Californians Against Waste.

Contributing to the recycling drop are low commodity prices, closed recycling centers and cheap disposal alternatives. The low commodity prices for paper, plastics and metals are driven by low oil prices, which in turn makes processing and producing virgin materials from natural resources appear to be cheaper.

Low commodity prices have resulted in the closure of more than 662 recycling centers in California over the last 12 months, with potentially hundreds more closing after July 1, unless urgency legislation is enacted to restore recycler reimbursements to 2015 levels.

In addition to low commodity prices, recyclers and composters must also compete with artificially low priced disposal options that fail to incorporate their true environmental and regulatory costs.

While new policies have been adopted in an effort to increase recycling (including requirements for businesses to recycle and compost), sporadic enforcement, under investment and slow implementation have undermined program effectiveness and failed to offset increased consumer consumption of disposables.

"It's been more than a quarter century since California policy makers committed to cutting waste disposal in half, and for most of that period consumer support, manufacturer responsibility, and targeted investment all contributed to achieve 50 percent or better recycling levels," said Murray.

"But increased fracking and continued taxpayer subsidies for non-renewables and cheap disposal have created an uneven playing field for market-based recycling and composting efforts," said Murray.

"California's recycling future is at a crossroads. Greater attention and investment and updated regulatory scheme is needed to ensure that the California does not backslide on the great environmental and economic strides that have been made to conserve and recycle finite resources.

"It is time for Governor Brown and the legislature to come together to develop a framework that puts California back on the path to sustainable materials management. We have over a quarter century of experience to help us identify which policies and programs have proven successful in the past and should be replicated or expanded.

"We need to ensure that the economic incentives and regulatory requirements support the growth of recycling, composting, and recycled material-based manufacturing or suffer the consequences increased disposal and taxpayer costs, and a degraded environment." •

WASTE MANAGEMENT CAN PLAY A KEY ROLE IN HELPING THE INDUSTRY NAVIGATE CURRENT CHOPPY WATERS.

RECYCLING: WASTE MANAGEMENT CEO SAYS RECYCLING MUST BRACE FOR CHANGE

BY DAN LEIF, RESOURCE RECYCLING

David Steiner is OK feeling the wrath of some recycling professionals—as long it leads to better business.

“We believe the recycling industry needs to change and it is changing,” the Waste Management CEO said in the keynote address at this week’s Resource Recycling Conference in New Orleans. “Our leadership position [on that issue] led to criticism, but if it leads to changes that help the industry, I’ll take that criticism.”

Steiner has regularly bemoaned the state of municipal recycling in public statements over the past several years as prices for commodities have fallen and costs to process recovered materials have risen.

Those statements have sparked pushback from some members of the recycling community, who have wondered what the high-profile executive’s ultimate goal has been in calling out the current economic issues.

In his keynote, Steiner said his aim has been to ensure the long-term viability of recycling and to help start a dialogue about how to focus materials recovery going forward.

“For good portions of the last years, we’ve been losing money in recycling,” the CEO said. “Guess what follows losses? Disinvestment. …We needed the wider community to understand what was going on.”

‘Not going to apologize’

Steiner, who said publicly traded Waste Management processed 11 million tons of recyclable material last year, made it clear that any shifts the company makes in the recycling space will be driven first and foremost by cost-effectiveness. “I’m not going to apologize for being a for-profit company,” he noted on several occasions.

But he also indicated that despite continued projections for low oil prices and slow economic growth globally, Waste Management feels materials processing can remain a revenue center.

Doing so will require several shifts in approach, Steiner explained. One specific strategy he brought up was focusing on trying to collect and recycle a more narrow spectrum of materials.

He referenced a set of studies Waste Management has recently begun publicizing that helped the company understand which materials offer the most bang for the collection and processing buck.

The list will not be surprising to industry veterans: fiber, plastic bottles and metals.

But Steiner said those materials, all of which enjoy well-developed infrastructure and strong markets, are not just attractive because of the profit margins they generate—they also lead to the biggest environmental benefits for each processing dollar spent. In this way, he said, the company is following the model of sustainable materials management being promoted in a number of corners of the industry.

“We’re using facts to create smart goals,” said Steiner. “It’s a life-cycle thinking approach.”

And where would that leave materials, such as organics and glass, that many communities want to recycle but that don’t score high using Waste Management’s profitability/sustainability criteria?

(Continued, see Change, page 29)
Steiner said Waste Management is happy to continue to finding ways to divert those streams but that communities or another “natural payer” will need to be ready to cover the associated costs if the company cannot generate sufficient revenues through end markets.

“It’s pretty simple math,” said Steiner. “If we can somehow get the price of glass up, we’ll recycle more glass. But it’s not just glass; it’s any material.”

**Surviving the storm**
Steiner built his remarks around the idea of perseverance, comparing recycling’s economic challenges to storms that have hit the Gulf Coast region recently—and throughout history.

He said Waste Management can play a key role in helping the industry navigate current choppy waters by acting as an “incubator of new ideas” as long as those ideas can be implemented in a profitable format. He added that Waste Management’s perspective toward recycling is one defined by the long term.

“Like New Orleans, we’re not here for one generation,” he said, “but for generations to come.”

Reprinted from [www.resource-recycling.com](http://www.resource-recycling.com), September 1, 2016.
The state of California has been struggling for four years to figure out how to reduce the amount of trash going to landfill. CalRecycle has held many workshops with brand owners and material associations to discuss how EPR can play a role in accomplishing this. Last January, CalRecycle conducted a hearing and invited major trade associations representing brands, packaging manufacturers, and material trade associations to participate and explain how a voluntary Extended Producer Responsibility (EPR) might work. Following that hearing, CalRecycle made it clear that the presentations and ideas were rehashes of existing efforts and did not represent solid steps forward to get packaging out of the state’s landfills. California is under extreme pressure to reduce trash destined for landfill—laws passed three years ago require that the state reduce the amount of trash going to landfill by 75% by 2020.

CalRecycle issued the “California Manufacturers Challenge”—a challenge for product and packaging manufacturers to reduce the amount of packaging going to landfill by 50% by 2020.

On September 20, CalRecycle held another hearing on the Challenge, reporting to the Director and the public on the steps CalRecycle will take to accomplish packaging reductions. CalRecycle states in a memo prepared for the September 20 meeting that the packaging industry has failed to create viable “voluntary options” to achieve the 50% reduction in packaging going to disposal. Therefore, CalRecycle staff is now suggesting that the state engage in a “mandatory, comprehensive, statewide packaging program in California.” This mandatory approach would be a statewide EPR program whereby product manufacturers (and packaging manufacturers) would be responsible for financing and managing the end of life for their products and packaging.

Below is the memo that CalRecycle staff prepared for the Director’s consideration.

For information on the Manufacturers Challenge meeting held September 20, click here.

Decision Subject:
Summary of Manufacturers Challenge and Potential Next Steps

Summary of Analysis and Request:
Packaging can provide many important benefits, from protecting the products we purchase, to providing information to the consumer, to extending the shelf life of food to prevent food waste.

Rapid innovations for lighter-weight, more sophisticated packaging materials and designs to help realize benefits such as these and to reduce various lifecycle impacts have continued to occur. However, while laudable, these innovations have also outpaced the abilities of traditional local government and private sector programs to effectively collect and process these materials, contributing to the estimated 8 million tons of packaging landfilled in California annually—or about one quarter of the state’s total disposal stream.

Developing comprehensive recovery strategies for packaging is complex due to the vast number of packaging products, materials, competing lifecycle impacts to prioritize and address, existing legislative requirements, and stakeholders involved in design, manufacture, distribution, and end-of-use management.

CalRecycle’s January 2016 Manufacturers Challenge culminated from an extensive, three-year public engagement process to address the 8 million tons of packaging in California’s disposal stream as one of several key strategies to reach the state’s (Continued, see Mandatory, page 31)
Mandatory EPR [cont’d]

broader goal of 75 percent recycling by the year 2020. In response to comments received at earlier workshops from product manufacturers, brand owners, and trade groups (hereafter broadly referred to as “industry”) for CalRecycle to focus on voluntary approaches rather than mandatory ones, the department decided to offer the Manufacturers Challenge—a call for product manufacturers and brand owners to publicly indicate how they would commit to in order to work toward the goal; and

2. How the goal would be measured, including what baseline they propose to use along with specific metrics;

3. Timelines for achieving the goal; and

4. How each group would finance its proposed activities.

While CalRecycle received good industry participation at the January 5, 2016, Manufacturers Challenge workshop, overall the material presented did not address the above key components in a comprehensive, meaningful way. The overwhelming majority of material presented was a summary of current, national activities rather than proposing new, California-specific activities, how they would be implemented, and how they would achieve the 50 percent goal. No suggestions were proposed: 1) for specific activities to get to a 50 percent reduction goal, with one exception described below; 2) on performance metrics or baseline for proposed activities; 3) on timelines for proposed activities, other than to state the voluntary goal’s timeline of the year 2020 was not possible; and 4) on proposed funding other than to continue relying on local and state funding, again with one exception.

Consequently, staff recommends that the Director approve pursuing the following two options to reduce packaging disposed in California:

1. Develop a packaging policy model containing components necessary for a mandatory comprehensive, state-wide packaging program in California, including, but not limited to: definitions, scope, goals, metrics, stakeholder roles and responsibilities, program financing, and oversight. Staff would conduct a public consultation process to gather input and feedback during development of the model, and consider exclusions for packaging products for which an adequate voluntary program designed to achieve the 50% goal can be developed (see Option 2). This option would include outreach and education to explore impacts to stakeholder groups such as local governments, haulers, and recyclers under a mandatory program. Anticipated timeline: September 2016–December 2017.

2. Explore the following complementary, individual voluntary activities presented at the January 2016 Manufacturers Challenge workshop to determine potential to significantly decrease packaging disposal in California:

   a. Participate in discussions with the American Chemistry Council and GreenBlue’s Sustainable Packaging Coalition on plastic film recycling, if a comprehensive agreement designed to address the 50% goal for this material can be agreed upon. Anticipated timeline: September 2016–December 2017.


   c. Keep apprised of potential activities based on AMERIPEN’s statement that it intends to convene a working group to explore policies and programs that would support the packaging/food waste nexus and would like to engage CalRecycle. Timeline to be determined.

Staff is not recommending approval of a third option:

3. Continue the Manufacturers Challenge as a voluntary effort to develop a comprehensive packaging reduction and recovery strategy. CalRecycle would conduct activities such as convening small work groups to address key needs of this effort, including, but not limited to, those identified at CalRecycle’s January 5, 2016, Manufacturers Challenge workshop, such as appropriate baseline, metrics, and milestones. This could include development of content-specific workgroups and/or separate workshops/workgroup meetings for in-depth discussions and decision-making. Anticipated timeline: September 2016–December 2017.

Recommendation:
Staff recommends Director approval of Options 1 and 2, above, of staff beginning associated activities as described in more detail below. •

THE VOICE OF THE PLASTICS INDUSTRY IN THE WEST

MARINE DEBRIS:
25 YEARS OF OPERATION CLEAN SWEEP
BY OPERATION CLEAN SWEEP

The History of Operation Clean Sweep
Innovation in plastics over the last 100 years has brought about tremendous advancements in packaging, medical devices and thousands of other products. Unfortunately, studies conducted by the Center for Marine Conservation (now known as the Ocean Conservancy) and the Environmental Protection Agency (EPA) beginning in the late 1980s detected plastic pellets in the marine environment. These pellets were escaping into waterways through spills at manufacturing facilities and during resin transport. The studies found that plastic pellets were found everywhere from the Atlantic to the Pacific Ocean, ultimately affecting seabirds and other marine species.

As early as 1986, SPI committed to working toward a solution and began educational programs highlighting the importance of preventing pellet loss. SPI created the Resin Pellet Task Force whose mission was to educate the plastics industry and consumers about plastic in the marine environment. In 1991, at the recommendation of the EPA, the Pellet Retention Environmental Code was created and spread throughout the industry. The initiative grew into a partnership with the National Oceanic and Atmospheric Administration (NOAA) and the Ocean Conservancy that resulted in SPI sponsoring one of the first International Coastal Clean Up Campaigns, which is now one of the largest volunteer events in the world. SPI introduced Operation Clean Sweep (OCS) in 1991, providing a manual with recommendations from EPA’s report, Plastic Pellets in the Aquatic Environment: Sources and Recommendations, and how to create a zero-pellet-loss plastics industry.

From 1991 to 2016: Operation Clean Sweep
Over the last 25 years, the plastics industry has grown into the third-largest manufacturing industry in the United States, employing over 940,000 people. With more than 16,000 facilities in the U.S., the plastics industry has made a significant impact on the economy. But, the industry also recognizes its responsibility to be a good steward of the environment. Ensuring zero pellet loss is just one way that the industry participates in sustainable materials management. OCS began as a national plastics manufacturing educational guide and has grown from there. In 2002 California initiated its “Plastics Debris Rivers to Sea” project with the California Coastal Commission and the California Film Extruders and Converters Association (the precursor to WPA), together with SPI and ACC, highlighted the successes of OCS in keeping resin pellets out of the Pacific Ocean.

In 2004, SPI partnered with the American Chemistry Council (ACC), bringing opportunities to expand the network of OCS partner members. With such success in the U.S., OCS expanded internationally sharing the license for the program with countries such as India, Mexico, Canada, China, South Africa, Australia and 17 other counties began implementing OCS in their plastics industries. As the initiative continued to grow, OCS included plastic powder and flakes in addition to pellets enabling recyclers to join the program. Engaging all aspects of the plastic resin lifecycle is essential to keeping plastics out of the marine environment. In addition to partner members, OCS created a role for companies who do not directly handle plastic resin. As of 2015, the supporter member category gave organizations that don’t qualify for partnership the ability to promote the initiative. Operation Clean Sweep is an evolving initiative and will continue to develop.

(Continued, see Sweep, page 33)
**Operation Clean Sweep: Today**

Earlier in 2016, SPI and ACC announced Operation Clean Sweep 2.0. In order to have a more accurate representation of those involved in OCS, individual facilities will now be counted instead of companies. OCS 2.0’s goal is to have all 16,000 plastics facilities in the U.S. sign the pledge to work toward zero pellet, powder and flake loss. If your company has not updated its information, please send the name of your facility and the contact name, phone number and email address to ebrumley@plasticsindustry.org.

OCS 2.0 will now require facilities to renew their commitment every three years. This is critical to ensure facilities are using best management practices. Zero pellet, flake and powder loss is possible with your help and commitment to Operation Clean Sweep.

**Future**

Through the years Operation Clean Sweep has evolved but the goal has not changed: achieving zero pellet, flake and powder loss. OCS and its partners and supporters will continue to strive to achieve zero pellet loss.

If your company has not signed the pledge, please take action today by completing the company pledge—click here. ●


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**Upstream: Real Change Starts at the Source**

*By Upstream Think/Do Tank*

Upstream is very excited to announce that the people’s movement to end plastic pollution is officially launching today (#breakfreefromplastic).

For the last year, UPSTREAM has been quietly working with NGO partners from the US and around the world on a global strategy to end plastic pollution. Today is our coming-out party and we want you to join us!

Please go to breakfreefromplastic.org where you can watch a video, check out our vision and principles, and sign up to join us.

Also, please share our facebook post with all your friends, and retweet on Twitter. Don’t forget to use the hashtag — #breakfreefromplastic

This has been in the making for some time, and we’re so thrilled to share it with you today.

Please join us and let’s #breakfreefromplastic together.

ABOUT UPSTREAM

UPSTREAM is a “think/do tank” dedicated to creating a healthy, sustainable and equitable society by addressing the root causes of environmental harm. Our mission is to advance sustainability, end plastic pollution and reduce climate disruption through product-focused environmental policies. ●
Biodegradable plastic water bottles and shopping bags are a false solution to the ubiquitous problem of litter in the oceans, the UN’s top environmental scientist has warned.

Most plastic is extremely durable, leading to large plastic debris and “microplastics” to spread via currents to oceans from the Arctic to the Antarctic, a UN report published on Monday found.

Greener plastics that breakdown in the environment have been marketed as a sustainable alternative that could reduce the vast amount of plastic waste that ends up in the sea after being dumped. But Jacqueline McGlade, chief scientist at the UN Environment Programme, told the Guardian that these biodegradable plastics were not a simple solution.

“It’s well-intentioned but wrong. A lot of plastics labelled biodegradable, like shopping bags, will only break down in temperatures of 50°C and that is not the ocean. They are also not buoyant, so they’re going to sink, so they’re not going to be exposed to UV and break down,” she said.

Speaking at the UN environment assembly in Nairobi, where 170 countries are meeting and expected to pass a resolution on microplastics later this week, she added: “We have detected plastics in places as far away as the Chagos Islands [in the Indian Ocean]. Even if you are remote, you are not safe from it.”

More than 300m tonnes of plastic were produced in 2014 and that is expected to swell to nearly 2,000m tonnes by 2050 on current trends, the UN report said. While the exact amount that reaches the oceans is not known, the report concluded: “plastic debris, or litter, in the ocean is now ubiquitous.”

The spread of everything from large plastic debris such as fishing gear which dolphins can become entangled with, to fragments smaller than 5mm in diameter known as microplastics, has ecological, social and economics costs.

**Microplastics: which beauty brands are safe to use?**

Jellyfish, for example, are using plastic as a habitat and to hitch a ride, allowing them to extend their range. The spread of jellyfish is considered bad news by experts because of the amount of plankton they eat, taking away food from fish and other marine life.

“There is a moral argument that we should not allow the ocean to become further polluted with plastic waste, and that marine littering should be considered a ‘common concern of humankind,’” the report’s authors wrote.

The main solution to plastics in the ocean is better waste collection and recycling, particularly in the developing world, the UN said. But McGlade said that some of the biodegradable additives in plastic to allow it to break down made it harder to recycle, and potentially harmful in the natural environment.

“When you start adding all of that [additives], when it becomes waste, they [the additives] become the enemy of the environment. As consumers we need to think of the use of plastic,” she said.

The UN report said that it was only in the past decade that plastics in the ocean had been taken seriously. “Warnings of what was happening were reported in the scientific literature in the early 1970s, with little reaction from much of the scientific community.”

MARINE DEBRIS:
MICROBEADS LISTED AS ‘TOXIC SUBSTANCE’ EN ROUTE TO BAN

BY THE CANADIAN PRESS, CBC NEWS

Tiny plastic beads in exfoliants and cleansers accumulate in waterways, harming aquatic life.

The federal government has officially listed microbeads as a toxic substance, giving it the ability to ban the plastic beads used in cleansers.

An online notice says the tiny plastic beads commonly found in facial and body scrubs is now listed as a toxic substance under the Environmental Protection Act, which gives the government the option to control their use or institute an outright ban.

But microbeads are already on the way out.

The online notice says of the 14 companies that make up the Canadian Cosmetic, Toiletry and Fragrance Association—the heaviest users of microbeads in Canada—five have already stopped using microbeads in their products and nine more will follow suit by 2018 or 2019.

Parliamentarians voted unanimously last year to remove microbeads from the market amid concern and evidence of the plastic accumulating in lakes and rivers, harming the environment and aquatic life.

The move followed similar efforts to ban the substance in the United States and Europe.

The former Conservative government announced the move to ban the tiny plastic particles last August, the day before the federal election was called.

The government proposed forbidding the manufacture and import of personal care products containing microbeads by the end of 2017 and ban the sale of such products by the end of 2018.

The online notice says the government is targeting plastic beads that are smaller than five millimetres in size found specifically in personal care products like exfoliants and cleansers.

Industry wording rejected
Federal officials write that they rejected more restrictive wording pushed by industry stakeholders who felt the proposed ban captured too many products and would lead to “unintended stigmatization” of products with some plastic in them, and “over-regulation” of the plastic supply chain in Canada.

During consultations, one industry association accused the government of playing politics rather than relying on science, a charge the government refuted in the online posting, pointing to United Nations research.

In 2014, about 100,000 kilograms of plastic microbeads in exfoliants and cleansers were imported into Canada, with up to 10,000 more kilograms used domestically in the manufacturing of personal care product.

The plastics industry often cites science as an ally—there’s a consensus in the industry among people I’ve talked with that if the public just knew more about the benefits that plastics provide, there would be less pressure to ban or tax some plastic products.

But how about when scientists suggest ways that the plastics industry should change to improve the environment?

The Guardian newspaper has an interesting story, “Scientists call for better plastics design to protect marine life,” where reporter Fiona Harvey interviewed experts at a briefing in London about specific ways that the plastics industry should change to reduce the volume of plastic that’s ending up in the ocean.

Interestingly, the story doesn’t just focus on banning plastic products, or switching production to new polymers that would degrade in the ocean. The scientists instead talked about making changes to materials to encourage more recycling, which they argue could prevent single-use containers from ending up as litter and marine debris.

For example, Richard Thompson, a professor of marine biology at Plymouth University, suggested removing pigments from plastic bottles in cases where the coloring is there only for marketing reasons, or to improve aesthetics—think of certain clear soft drinks packaged in green PET containers, for example.

Better design and changes in plastic materials are fairly simple ways to improve the environment, he said.

“The irony is that if most of these materials were better designed, they could be better recycled, and we could capture them. That would also reduce greenhouse gas emissions. We need to change the way we do this,” Thompson told the newspaper.

I’ve written a lot about plastic marine debris over the years, including some recent columns and blogs. I’ve made the point that the plastics industry is on board with efforts to fix the problem.

I recognize that the decision-maker in plastics design decisions often isn’t the plastics company—in most cases, processors make a part in whatever color, using whatever material, that the customer wants.

But plastics processors and suppliers play a role in some decisions. So I’m interested—what’s the industry’s reaction to these scientists’ suggestions?

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LEGISLATION: GOVERNOR BROWN SIGNS HISTORIC CLIMATE CHANGE LEGISLATION

BY OFFICE OF GOV. EDMUND G. BROWN, JR

Ten years after California adopted the toughest greenhouse gas emission reduction goals in the nation, Governor Edmund G. Brown Jr. today strengthened that commitment, signing SB 32 by Senator Fran Pavley (D-Agoura Hills) and AB 197 by Assemblymember Eduardo Garcia (D-Coachella), which require the state to cut emissions at least 40 percent below 1990 levels by 2030 and invest in the communities hardest hit by climate change.

“Climate change is real, and knowing that, California is taking action,” said Governor Brown.

“SB 32 and AB 197 are far-reaching moves that continue California on its path of vast innovation and environmental resilience.”

Governor Brown signed the legislation from the Vista Hermosa Natural Park, a 10-acre urban wilderness project built atop an old oil field and the first public park built in more than 100 years in the densely populated western edge of downtown Los Angeles.

California is on track to meet or exceed the current target of reducing greenhouse gas emissions to 1990 levels by 2020, as established in the California Global Warming Solutions Act of 2006 (AB 32). The new 2030 requirement in SB 32 will help make it possible to reach the ultimate goal of reducing emissions 80 percent under 1990 levels by 2050.

“With its Clean Car Law in 2002 and the Global Warming Solutions Act in 2006, California took a global lead in adopting policies to clear the air, transition to clean energy and reduce climate pollution,” said Senator Pavley.

“Those policies have fueled billions of dollars in private investment and spawned a thriving clean-energy sector. SB 32 sends an unmistakable message that California is resolute in its commitment to remain on that healthy and prosperous course.”

“In order for California to remain an economic and environmental leader the state will need to also be a trailblazer on issues related to equity,” said Assemblymember Garcia. “Placing the health and economic impacts of climate policy on vulnerable populations second will stunt the state’s prosperity.”

AB 197 establishes a legislative committee on climate change policies to help continue to ensure the state’s actions to reduce greenhouse gas emissions are conducted with transparency and accountability.

“Today is a proud day for California,” said Senate President pro Tempore De León. “Together we redoubled our commitment to global climate leadership and building the clean energy economy of tomorrow, while ensuring environmental justice so all Californians benefit from our climate policies.”

“SB 32 extends California’s landmark greenhouse gas reduction goals. AB 197 changes the game on how we make sure those goals are reached,” said Assembly Speaker Anthony Rendon.

“The successful effort behind these two bills is the latest sign of a growing consensus that protecting the environment and improving public health are inextricably linked and that maintaining that link is key to advancing future environmental actions. The Assembly—where AB 32 was passed 10 years ago—will be vigilant and vigorous in making sure California’s climate change goals are met, and are met as we all intended.”

For full text of the bills, visit: http://leginfo.legislature.ca.gov

CALIFORNIA’S LEADERSHIP ON CLIMATE CHANGE

While California emits around 1 percent of the world’s greenhouse gases, the state is playing a leading role in broadening collaboration among subnational leaders.

(Continued, see Historic, page 39)
These efforts include spearheading the Under2 Coalition, a global climate pact among cities, states and countries to limit the increase in the world’s average temperature to below 2 degrees Celsius. A total of 135 jurisdictions representing 32 countries and six continents have now signed or endorsed the agreement. Together, they represent more than 783 million people and $21 trillion in GDP, equivalent to more than a quarter of the global economy. Signatories commit to either reducing greenhouse gas emissions 80 to 95 percent below 1990 levels by 2050 or achieving a per capita annual emission target of less than 2 metric tons by 2050.

In the past year, the Governor has traveled to the United Nations headquarters in New York, the United Nations Climate Change Conference in Paris, the Vatican in Italy and the Climate Summit of the Americas in Toronto, Canada, to call on other leaders to join California in the fight against climate change. Governor Brown also joined an unprecedented alliance of heads of state, city and state leaders—convened by the World Bank Group and International Monetary Fund—to urge countries and companies around the globe to put a price on carbon.

These efforts build on a number of other international climate change agreements with leaders from the Czech Republic, the Netherlands, Mexico, China, North America, Japan, Israel, Peru and Chile and Governor Brown’s efforts to convene hundreds of world-renowned researchers and scientists around a groundbreaking call to action—called the consensus statement—which translates key scientific climate findings from disparate fields into one unified document.

Last October, Governor Brown signed landmark legislation—SB 350—to double the rate of energy efficiency savings in California buildings and generate half of the state’s electricity from renewable sources by 2030. Governor Brown also committed to reduce today’s petroleum use in cars and trucks by up to 50 percent within the next 15 years; make heating fuels cleaner; reduce the release of methane, black carbon and other potent pollutants across industries; and manage farm and rangelands, forests and wetlands so they can store carbon.

Additionally, the Governor issued an executive order last year to reduce greenhouse gas emissions in California 40 percent below 1990 levels by 2030, a goal which is now codified by SB 32.

The impacts of climate change are already being felt in California and will disproportionately impact the state’s most vulnerable populations.

LEGISLATION:
JERRY BROWN SIGNS FUNDING BILL AMID PUSH TO EXTEND CAP-AND-TRADE
BY DAVID SIDERS, SACRAMENTO BEE

Gov. Jerry Brown, laboring to build support for California’s controversial cap-and-trade program, signed legislation Wednesday authorizing $900 million in spending on climate-related programs, including clean car rebates, parks and public transportation.

The legislation, negotiated by Brown and legislative leaders last month, was significant to many moderate Democrats who viewed spending in their districts as critical to buttress a state climate program that has faced heavy resistance from industry.

Brown’s signature on the cap-and-trade expenditure was never in doubt, but the bill signing ceremony marked the beginning of a public relations push in his effort to extend cap-and-trade beyond 2020. The program, in which polluters pay to offset emissions under a declining cap, is on tenuous footing amid litigation and uncertainty in the Legislature.

Brown, appearing in a heavily polluted region of the state still suffering from effects of the recession, framed cap-and-trade as a program that “creates real jobs” and benefits poor people. The program is a significant source of revenue from Brown’s $64 billion high-speed rail projects and other climate-related initiatives.

“The cleaning up the air is not something that is forgetting about poor people,” he told a small crowd on the sun-baked roof of a parking garage in Fresno.

“Because in this area particularly, and in Riverside and other places, the air’s bad. And a lot of kids have asthma, a lot of old people have bronchitis and other kinds of respiratory diseases. And you put this poison into the air, and you can actually take it out. That’s what this bill is all about. It’s cleaning things up, the pollutants, it’s reducing the greenhouse gases, all that’s good for people, rich and poor alike.”

The spending plan authorized Wednesday includes $140 million for transportation, housing and other programs in especially poor and heavily polluted areas of the state, $135 million for transit and intercity rail programs, $80 million for the creation of local parks and green spaces and $133 million in subsidies for clean vehicle purchases.

The use of cap-and-trade revenue has been controversial since 2014, when Brown and legislative leaders agreed to dedicate 25 percent of carbon emission funds in future years to high-speed rail. The Democratic governor and lawmakers repeatedly put off negotiating other spending, with environmentalists criticizing Brown for withholding funding.

Some environmental justice groups have criticized cap-and-trade for allowing industries to continue polluting in poor areas of the state while buying offsets, while many conservatives have criticized spending from the program. Hosts on Fresno’s KMJ news Talk Radio were mocking Brown on air minutes before he spoke.

Rob Lapsley, president of the California Business Roundtable, said more cap-and-trade money should go to businesses to help them comply with greenhouse gas reduction mandates.

“This is such a pot of money spread around to so many places,” he said. “I want to see exactly the measurables for where it gets spent, who gets it, and what it accomplishes.”

The cap-and-trade bill signing came a week after Brown signed Senate Bill 32, sweeping legislation requiring California to reduce greenhouse gas emissions to 40 percent below 1990 levels by 2030. While the legislation did not expressly authorize cap-and-trade beyond 2020, it offered Brown leverage to negotiate an extension.

(Continued, see Targets, page 41)
GHG EMISSION REDUCTION TARGETS [CONT’D]

“They're going to get commands to do things,” Brown said last month of California's business interests, “and they're going to plead for a market system called cap and trade so they can respond in a way that's more beneficial to their bottom line.”

Brown, a longtime champion of environmental causes, shielded his head from the sun while waiting to speak on Wednesday.

“If this climate change gets away from us—and I'm not saying tomorrow, but in the next years, decades—it can be so hot here it becomes unlivable,” he said.

Lawmakers who joined Brown for the signing ceremony said the authorization of such a large pool of cap-and-trade spending could improve the visibility of the program outside of Sacramento. High-speed rail, another main beneficiary of the program, became far less popular among California voters after they approved its construction in 2008.

“There’s going to be a drastic investment into these communities,” said Assemblyman Jimmy Gomez, D-Los Angeles. “And I believe if we actually extend our program, the cap-and-trade program, this is the foundation for the greatest investment into low-income communities to deal with climate change ever. But that's only if we continue these programs that have already started changing the face of California.”


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Pausing from the end-of-session melee after an arduous vote to expand overtime pay for farmworkers, Assembly Speaker Anthony Rendon took a moment this week to consider the returns from his first year as leader.

As the Paramount Democrat ticked off the victories, each cherished liberal goal tumbling off his tongue seemed to remind him of another one—more gun control, landmark tobacco restrictions, an historic minimum wage increase, repealing a hated “welfare queen” law.

“This has really been a spectacular year,” Rendon said.

Spectacular, of course, depends on your vantage point. Compared to the Democrats who wield ample majorities in both houses of the Legislature, Republicans were less thrilled.

“In past years, there’s always been one or two major (liberal) bills,” said Sen. Joel Anderson, R-Alpine. “This year was death by 1,000 cuts.”

“It’s been a tough year,” said Assemblyman Brian Jones, R-Santee.

But Democrats’ list of this year’s accomplishments encompasses an array of policy areas with a sweep that should warm the hearts of most liberal constituencies. Courage Campaign, an organization that reflects the party’s left flank, said 2016 capped the most progressive legislative session in California’s history. •

WPA BILL WATCH LIST

AB 1005  (Gordon D)  California Beverage Container Recycling and Litter Reduction Act: market development payments.
Current Text: Enrollment: 9/1/2016
Location: To Governor for Action
Summary: Current law authorizes the Department of Resources Recycling and Recovery, until a specified authorization is repealed on January 1, 2017, to (1) annually expend up to $10,000,000 from the California Beverage Container Recycling Fund to make market development payments to an entity certified by the department as a recycling center, processor, or dropoff or collection program for empty plastic beverage containers that are subsequently washed and processed into flake, pellet, or other form, and made usable for the manufacture of a plastic product, or to a product manufacturer for empty plastic beverage containers that are subsequently washed and processed into flake, pellet, or other form, and used by that product manufacturer to manufacture a product, and to (2) expend additional amounts to make market development payments, calculated as provided. This bill would postpone that repeal until January 1, 2018. Position: Watch

AB 1683  (Eggman D)  Alternative energy financing.
Current Text: Amended: 5/16/2016
Location: To Governor for Action
Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act authorizes, until January 1, 2021, the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance in the form of a sales and use tax exclusion for projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions for these projects from exceeding $100,000,000 for each calendar year. This bill would specify that if less than $100,000,000 is granted in a calendar year, the unallocated amount may roll over to the following calendar year. Position: Watch

AB 1826  (Stone, Mark D)  Organic products.
Current Text: Enrollment: 8/30/2016
Location: To Governor for Action
Summary: Would revise and recast the California Organic Products Act of 2003 as the California Organic Food and Farming Act and would set forth the purposes of the act. This bill contains other related provisions and other existing laws. Position: Watch

AB 2396  (McCarty D)  Solid waste: annual reports.
Current Text: Enrollment: 8/31/2016
Location: To Governor for Action
Summary: The California Integrated Waste Management Act of 1989, which is administered by the Department of Resources Recycling and Recovery, establishes an integrated waste management program. Current law requires each state agency to submit an annual report to the department summarizing its progress in reducing solid waste that is due on or before May 1 of each year. This bill would require each state agency to include in that annual report a summary of the state agency’s compliance with specified requirements relating to recycling commercial solid waste and organic waste. Position: Watch

AB 2409  (Wagner R)  Water quality standards: trash: single-use carryout bags.
Current Text: Introduced: 2/19/2016
Location: 4/22/2016-A. DEAD
Summary: Would suspend the operation of certain amendments to water quality control plans relating to the total maximum daily load for trash unless the provisions inoperative due to a pending referendum election become effective. This bill would require the state board to (Continued, see Watch List, page 44)
revisit and revise water quality control plans to address impaired water quality due to trash if the law pending referendum is defeated at the November 8, 2016, statewide general election. This bill contains other existing laws. **Position: Watch**

**AB 2530 (Gordon D)  Recycling: beverage containers.**
Location: To Governor for Action
Summary: Would, beginning March 1, 2018, require a manufacturer of a beverage sold in a plastic beverage container subject to the California Redemption Value to annually report to the Department of Resources Recycling and Recovery, under penalty of perjury, the amount of virgin plastic and postconsumer recycled plastic used by the manufacturer for plastic beverage containers subject to the California Redemption Value for sale in the state in the previous calendar year. By expanding the crime of perjury, the bill would impose a state-mandated local program. **Position: Watch**

**AB 2576 (Gray D)  Recycling: glass container manufacturers: market development payments.**
Location: 5/27/2016-A. DEAD
Summary: Would provide that up to $20,000,000 shall be available, upon appropriation by the Legislature, from the Greenhouse Gas Reduction Fund to the Department of Resources Recycling and Recovery for market development payments to glass container manufacturers in an amount of $50 per ton of state-generated cullet, as defined, utilized for manufacturing in the state to achieve greenhouse gas emissions reductions not otherwise required by statute or regulation. **Position: Watch**

**AB 2579 (Low D)  Department of Resources Recycling and Recovery: waste characterization study: food service packaging.**
Location: 7/1/2016-S. DEAD
Summary: Current law establishes the Department of Resources Recycling and Recovery to administer the California Integrated Waste Management Act of 1989, and authorizes the department to hold hearings and conduct investigations in any part of the state necessary to carry out its powers and duties. This bill would require the department, in the next regularly scheduled waste characterization study conducted by the department, to include specified information relating to food service packaging waste management. **Position: Watch**

**AB 2748 (Gatto D)  Environmental disaster: release of claims: statute of limitations: attorneys' fees.**
Location: To Governor for Action
Summary: Current law provides that an obligation is extinguished by a release given to the debtor by the creditor, upon a new consideration, or in writing, with or without new consideration. A general release does not extend to claims the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor. Under this bill, a partial or interim payment or reimbursement, made in connection with an environmental disaster by the responsible polluter or any agent or entity related to the responsible polluter to any recipient, would not release the polluter from liability to the recipient for any claim related to the environmental disaster or for any future claim by the recipient against the polluter, or for both current and future claims. **Position: Watch**

(Continued, see Watch List, page 45)
AB 2812 (Gordon D)  Solid waste: recycling: state agencies and large state facilities.
Current Text: Enrollment: 9/1/2016
Location: To Governor for Action
Summary: Would require the Department of Resources Recycling and Recovery, on or before July 1, 2017, to develop guidance for collecting and recycling recyclable materials in office buildings of state agencies and large state facilities, except buildings and facilities of community college districts or their campuses. The bill would require that a covered state agency and large state facility, on and after July 1, 2018, provide adequate receptacles, signage, education, and staffing, and arrange for recycling services consistent with specified law, for each office building of the state agency or large state facility. Position: Watch

SB 654 (Jackson D)  Unlawful employment practice: parental leave.
Location: To Governor for Action
Summary: Would prohibit an employer, as defined, from refusing, as specified, to allow an employee with more than 12 months of service with the employer, and who has at least 1,250 hours of service with the employer during the previous 12-month period, to take up to 6 weeks of parental leave to bond with a new child within one year of the child’s birth, adoption, or foster care placement. The bill would also prohibit an employer from refusing to maintain and pay for coverage under a group health plan for an employee who takes this leave. This bill contains other existing laws. Position: Watch

SB 970 (Leyva D)  Greenhouse Gas Reduction Fund: grant program: recyclable materials.
Current Text: Chaptered: 9/14/2016
Status: 9/14/2016-Signed by the Governor
Summary: Current law requires certain moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund to be used by the Department of Resources Recycling and Recovery for a grant program to provide financial assistance to reduce greenhouse gas emissions by promoting in-state development of infrastructure to process organic and other recyclable materials into new, value-added products. This bill would require the department, in awarding a grant for organics composting or anaerobic digestion under the program, to consider, among other things, the amount of greenhouse gas emissions reductions that may result from the project and the amount of organic material that may be diverted from landfills as a result of the project. Position: Watch

SB 1043 (Allen D)  Biogas and biomethane.
Location: 5/27/2016-S. DEAD
Summary: Would require the State Air Resources Board to consider and, as appropriate, adopt policies to significantly increase the sustainable production and use of biogas, as defined, and, in so doing, would require the state board, among other things, to ensure the production and use of biogas provides direct environmental benefits and identify barriers to the rapid development and use of biogas and potential sources of funding. This bill contains other related provisions and other existing laws. Position: Watch

Location: 6/3/2016-S. DEAD
Summary: Current law requires an action alleging unfair competition, as defined, to be commenced within 4 years after the cause of action accrued. This bill would, for actions brought by the Attorney General or a district attorney, revive an action for unfair competition with respect to scientific evidence regarding the existence, extent, or current or future impacts of anthropogenic-induced climate change that is time barred as of January 1, 2017, and would authorize the action to be brought within 4 years of that date. Position: Watch

(Continued, see Watch List, page 46)
Current Text: Enrollment: 9/1/2016
Location: To Governor for Action
Summary: Would require the Division of Occupational Safety and Health, by January 1, 2019, to propose to the Occupational Safety and Health Standards Board for the board’s review and adoption, a heat illness and injury prevention standard applicable to workers working in indoor places of employment. The bill would specify that this requirement does not prohibit the division from proposing, or the standards board from adopting, a standard that limits the application of high heat provisions to certain industry sectors. Position: Watch

SB 1294  (Pavley D)  The Community Climate and Drought Resilience Program of 2016.
Location: 5/27/2016-S. DEAD
Summary: Would enact the Community Climate and Drought Resilience Program of 2016 and would require CalFire to review the urban forestry program and, if necessary, revise the program to provide funding priority to multibenefit carbon sequestration projects and to establish local or regional targets for urban tree canopy. This bill contains other related provisions and other existing laws. Position: Watch

SB 1387  (De León D)  South Coast Air Quality Management District board.
Location: 8/31/2016-S. DEAD
Summary: Current law establishes the South Coast Air Quality Management District vested with the authority to regulate air emissions from stationary sources located in the South Coast Air Basin and establishes a district board, consisting of 13 members. This bill, until January 1, 2025, would add 3 members to the district board, as specified. The bill would make various conforming changes. This bill contains other related provisions. Position: Oppose

SB 1459  (Morrell R)  Beverage container recycling: enforcement.
Location: 5/6/2016-S. DEAD
Summary: Current law prohibits any person from paying, claiming, or receiving any refund value, processing payment, handling fee, or administrative fee for imported beverage container material, previously redeemed containers, rejected containers, line breakage, or other ineligible material. Current law also prohibits any person, with intent to defraud, from redeeming or attempting to redeem those containers or materials, returning previously redeemed containers to the marketplace for redemption, or bringing those containers or materials to the marketplace for redemption, as specified. This bill would make nonsubstantive changes to these provisions. Position: Watch
MEMBER NEWS:
COMEXI WILL BE AT FAIR K.
SOLUTIONS TO ENHANCE THE CONTAINER ADDED VALUE

Comexi, specialist in solutions for the flexible packaging industry, will present at the next edition of the K fair most innovative solutions. The group will showcase at its booth located in Hall 4/ B21 new products it has developed for the flexible packaging converting phases.

Comexi will participate in the K show after the last Drupa edition success, where visitors have the opportunity to learn about the new flexo press F3, incorporating greater automation industry with integrated in the printing process robot. Automation has also been developed for the outstanding printer Comexi Offset C18, which was presented at Drupa, where it also presented the new printing unit for gravure printer R2.

Comexi will present at Drupa the most important flexible packaging innovations for the conversion, plus the latest printing technologies. Comexi will present its latest innovations in lamination, coating and cutting as a global supplier to the industry since K fair is dedicated to the plastics and rubber industry.

Global solutions
In rolling, responding to new trends and market needs, visitors will have the opportunity to discover the different solutions in rolling mills with and without solvents Comexi Comexi ML1 and SL2. These solutions answer the high standards that the market requires as in high productivity and as efficiency. Both have an excellent market response, valuing especially its ease of use, rapid changes and absolute reliability and robustness.

Regarding coating, Comexi will explain its technical solutions to answer the growing demand for packaging by the end marks (coating of seal heat, varnishes barrier properties, cold seal), as well as all applications designed to enhance the added value the final package on the shelf: matte or glossy varnish to register-Dual Comexi Comexi and ML1-, along with holography and cold-foil. Comexi Futura has helped its customers to achieve important international awards related to innovative design in packaging.

Comexi will also show the L20000, water-based laminator specially designed for laminations just in time and that responds to the needs of the HP Indigo digital printer 20000. With this option, Comexi will reinforce the group’s commitment to the environment. This innovation is committed to a technology more sustainable and efficient, eliminating the solvent through the water rolling basis, without sacrificing the highest performance.

Also in court, Comexi will offer its latest solutions for the packaging sector with its high-cutting performance to ensure the highest levels of both quality and productivity. Also, with the most demanding jobs, such as top cutter Comexi, the SsDT. In addition, the group will also display the latest innovations in technology Laser Cingular, which can be integrated online with your machines and guarantees the best accuracy in drilling applications, precut, numbering, cutting and text creation. Likewise, the group will the advance re-sealable containers results.

Opting for smart factories
Customers are one of the fundamental pillars for Comexi. Supporting them and favoring them in developing their businesses is one of the main objectives for us. From here comes the innovative tool production control Comexi Cloud, which, together with the incorporation of process automation, improves the efficiency of factories. A further step in the smart factories implementation, known as an industry 4.0.

Comexi Cloud is the fastest and easiest way to analyze production. Factories can better control the production process and dispose of the real data to optimize resources. Comexi Cloud provides real-time information that improves productivity, process safety, reduces downtime and waste, controls the production time and analyzes trends in labor and production. •

Reprinted from Comexi press release.
MEMBER NEWS:  
GREAT AMERICAN PACKAGING CHANGES, AND GROWS, WITH THE TIMES  
BY ROGER RENSTROM, PLASTICS NEWS

In January 2011, Great American Packaging LLC founder and CEO Greg Gurewitz made what he called one of his hardest business decisions.

Gurewitz recognized how technology is becoming a major component of marketing and for achievement of business growth. He reached outside his usual comfort zone and hired Bruce Carter as president.

Previously, Carter held key positions with management consulting firm Craft Strategies LLC in the Los Angeles area, material supplier Revchem Composites of Bloomington, Calif., and label and office products supplier Avery Dennison Corp. of Glendale, Calif.

Together, the two have blended Gurewitz’s old-school values and Carter’s technology and product-market orientations.

“It is this blend that has truly been the core of our success over the last five years,” said Gurewitz’s oldest daughter, Beth Smith, the firm’s director of marketing and recruiting. “We are projecting another 5-10 percent growth in 2016.”

Great American Packaging will observe its 50th anniversary on July 26 and hold an off-site celebration on July 30 in Long Beach.

While withholding the statistics, Great American says that its sales have increased a total of about 50 percent during the past five years.

Meanwhile, the company is implementing enterprise-resource-planning processes and streamlining its extruding, printing and converting operations in Vernon.

Focus on lean manufacturing
Great American has embarked on as many as eight lean manufacturing and process improvement projects and received training support.

The economic development department of Cerritos College in Norwalk, Calif., arranged for employee training under a contract with the Southeast Los Angeles County Workforce Development Board. The State of California Employment Training Panel reimbursed the board for a significant portion of the costs.

The ERP effort is important
In July 2015, Great American contracted with Electronics For Imaging Inc. of Fremont, Calif., which organized intensive across-the-board classroom training for use of its Radius management-information-system/ERP software for packaging companies.

Initial implementation occurred in November, and the capability “went live July 6,” a relieved Gurewitz said in an interview.

Great American anticipates the ERP software will bring greater visibility to the business.

“We will be able to analyze productivity on multiple levels and determine the optimum products and markets to help reach our growth goals,” Smith said. The analysis will allow the focusing of sales efforts on smaller market niches with growing demands.

“For us, the tone is amazingly upbeat,” Carter said, recognizing benefits of “the hard work with ERP system and what future holds for the business as a whole.”

New product initiatives
In one effort, Great American uses a proprietary polyethylene blend to make high-strength film for ice bags and sees applications for the frozen food market.

The firm is testing a bioplastic blend of corn and potato starches on a project.

Great American converts polypropylene into side-wall bags for the food industry and, to take advantage of PP’s barrier properties, is developing its own (Continued, see Great, page 49)
blown PP version for food and vegetable packaging.

Great American upgraded the tension control on its printing equipment and adopted a newer flexographic plate technology to improve quality.

“We doubled the output in the printing department and cut setups by 50 percent, from multiple hours to less than an hour,” Carter said. “We worked with ink producers to educate our guys on blending.”

In a January upgrade, Great American installed a new air ring on its largest line, a Gloucester extruder, and is gaining 10-15 percent higher output and better gauge control.

During 2016, the firm is ramping up its online marketing activities, continuing development of new products and contemplating a possible equipment purchase.

Great American manufactures PE and PP printed and plain bags and films, primarily for the food, ice, consumer products and pharmaceutical/medical industries. Product styles include wicket, zipper, tape and tamper-evident bags and specialty films for form-fill-seal machines.

Great American operates three extruders including an FMC/Eagan, a Sterling and the Gloucester with a Brampton die; Manley and Kidder flexographic printing presses; and five converters including four from Roan and one FMC.

Great American manufactures all of its bags using Food and Drug Administration-approved virgin raw PE and PP in an eco-friendly environment compliant with South Coast Air Quality Management District and the food safety compliance requirements of FDA-enforced good-manufacturing-practice guidelines. All materials are recyclable.

High-profile customers include Costco Wholesale Corp. of Issaquah, Wash.; Albertsons Cos. Inc. of Boise, Idaho; Trader Joe’s of Monrovia, Calif.; and Home Depot Inc. of Atlanta.

Great American employs 65 persons and has 15 others in training through a temporary staffing service.

Early days
Gurewitz’s mother, Mickey Gurewitz, a widow, worked at Central Bag and Supply Co. on Central Avenue in Los Angeles to support her three children. “On summer vacations, I went there and earned some money,” he recalled.

During the summer after his freshman year in college, Gurewitz hatched the idea to start his own PE bag business and, independently, began trying to sell bag processing jobs on July 26, 1966—initially working out of his bedroom and then the family garage.

His first customer—a modeler of clay and ceramics—placed its initial order in October 1966 with a deadline for completion in February 1967. Gurewitz purchased supplies from a manufacturing company that managed to lose the order. As a result, Gurewitz shipped the product to the customer two weeks late.

In 1967, Gurewitz started producing square-bottom PE bags for shipping of live tropical fish that arrived by ship from Asia. Brokers would acclimatize the fish for three days in Los Angeles and then ship them to customers in North and South America and Asia.

“At one time, we had 80 percent of that market,” he said. That portion of his business disappeared around 1973 when the tropical fish industry tanked.

At busy times, Gurewitz would hire his fraternity brothers for help on projects.

Gurewitz graduated from San Fernando Valley State College—now known as California State University, Northridge—with a bachelor’s degree in business and commerce in 1969.

He began converting material for regular bags in 1972 and extruding in 1980 at a leased Vernon location that occupied 18,500 square feet.

In 1997, Great American acquired a larger facility in Vernon, moved 1.5 miles and installed two monolayer blown film extrusion lines, a 2.5-inch FMC and a 1.5-inch Sterling with a Brampton die.

Great American invested about $1.2 million in buying the current 40,000-square-foot plant and making infrastructure improvements.

The business remains in that plant, now utilizing about 80 percent of its potential production capacity but gaining efficiency with upgrades and process improvements.

Gurewitz, 70, views culture as important for his business. “We are like a family,” he said. “We care and help each other to get things done, and we look out for and take care of the little guy.”

In 1993, Greg Gurewitz received the Leo Shluker Award from the California Film Extruders and Converters Association, now operating as the Western Plastics Association. At the time, Gurewitz had just completed his term as president of the association.

Carter, 56, became a WPA board member in 2012.

Gurewitz’s older brother, Richard, is owner and president of PolyPak America Inc. of Los Angeles, a manufacturer of heavy-duty and security bags, envelopes/mailers and specialty films/bags.

Ship and Shore Environmental, a California-based environmental, pollution abatement and energy solutions firm, today announced that it will co-host, together with the Jiangsu Academy of Environmental Industry & Technology on Environmental Policies, the 2016 VOC Abatement Technology Forum in Zhangjiagang Shazhou, China on September 9–10, 2016.

“We are honored to be co-hosting this major annual VOC abatement industry event. We are even more elated to be able offer our newest energy efficient technologies and solutions to the Chinese market for immediate application in response to their growing need for innovative pollution abatement solutions,” said Anoosheh Oskouian, CEO of Ship & Shore Environmental, Inc.

Anoosheh Oskouian and Nina Zerman, Ship & Shore’s CEO and Technical Sales Manager respectively, both leading VOC abatement experts, will represent S&SE and present on a variety of topics. The forum, the Chinese VOC industry’s major annual event, will focus on driving the expansion of international advanced VOC abatement technologies into the mainstream of China’s many manufacturing markets. More than 50 of the industry’s top major industry representatives are invited to attend this Ship & Shore hosted event.

This forum will introduce the leading VOC abatement technologies from S&SE and cover typical case studies with our China partners Zhangjiagang Aier Environmental Protection Engineering Co., Ltd as well as feature experts from the Jiangsu Academy of Environmental Industry and Technology with an update on the latest environmental policies in China.

The 2016 S&SE / AIER VOC Abatement Technology Forum will specifically offer:

• Experts from the Jiangsu Academy of Environmental Industry & Technology on Environmental Policies in China
• Comprehensive Case Analysis of Best Available VOC Abatement Technologies
• The Latest RTO & RCO Technology & Safety
• Catalyst Options & Applications in VOC Abatement

Chinese Manufacturing Opportunity
China’s rapid economic development has resulted in new laws requiring manufacturing facilities to comply with environmental pollution control strategies. Recent efforts by the mainland government to improve air quality & protect the environmental for future generations have created a wealth of opportunities for service providers in the various fields of environmental protection. In a sweeping and ongoing effort to drive the protection of resources and preserve ecology, China has produced a significant market of opportunities in environmental protection and emissions control on the worldwide scene. To this end, Ship & Shore recently expanded its international operations with a new manufacturing and engineering center located in Zhangjiagang, China.

Ship & Shore specializes in Volatile Organic Compound (VOC) abatement technologies. Their proprietary systems help remove these volatile chemicals which combine to form atmospheric ozone, or smog and includes industrial chemicals, alcohol, solvents, and petroleum products, including gasoline. Ship & Shore’s VOC abatement technologies help solve one of the most visible and bothersome (Continued, see China, page 51)
issues by helping clean the air that the citizens of China breathe. Ship & Shore’s joint engineering center offers technologies and equipment to capture and control air pollution from a variety of manufacturing industries through its new Chinese mainland manufacturing facility in the city of Zhangjiagang, China. Ship & Shore engineering manager, Abbas Nadalizadeh and other company officials recently visited the new S&SE new Manufacturing Plant and Engineering Center, meeting with several clients as well as local government agencies in charge of environmental protection.

**ABOUT SHIP & SHORE ENVIRONMENTAL, INC.**
Ship & Shore Environmental, Inc. is a Long Beach, Calif.-based woman-owned, certified business specializing in air pollution capture and control systems for industrial applications. Ship & Shore helps major manufacturers meet Volatile Organic Compounds (VOC) abatement challenges by providing customized energy-efficient air pollution abatement systems for various industries, resulting in improved operational efficiency and tailored “green” solutions. Since 2000, Ship & Shore has been prepared to handle and advise on the full spectrum of environmental needs with its complete array of engineering and manufacturing capabilities and multiple offices around the U.S., Canada, Europe and most recently, China. With over 100 specialized professionals spread throughout the world, the company is dedicated to designing tailored solutions for its energy clients.

MEMBER NEWS:
REIFENHÄUSER CONTINUES TO BUILD NORTH AMERICAN TEAM

Reifenhäuser Group continues to strengthen its North American subsidiary Reifenhäuser Incorporated with the announcement that Steven R. Zubke has joined Reifenhäuser Inc. as Manager of Spare Parts & Equipment Installation Projects.

Steve will be located at Reifenhäuser Incorporated’s Maize, KS headquarters and will lead the North American Customer Support Team. Steve brings with him over 35 years of industry experience covering many areas associated with plastic processing, equipment and project management. Beyond spare parts, his focus will be on Total Customer Satisfaction relating to all new equipment sales including tracking each new order from inception through installation and commissioning of the equipment.

ABOUT THE REIFENHÄUSER GROUP
The Reifenhäuser Group, based in Troisdorf near Cologne, Germany, is the world’s leading supplier of plastics extrusion lines, machines, and components. The group has the world’s largest company knowledge network for extrusion technology: Six business units with nine subsidiaries bundle highly specialised knowledge in design, process technology, automation systems, project planning, manufacturing, project management and logistics. As a whole, the group covers the largest range of extrusion technologies. Its companies offer systems for the production of film, sheet, nonwovens, monofilaments, and the relevant components. The company was founded in 1911 as a forge and is managed today for the third generation by brothers Bernd, Klaus and Ulrich Reifenhäuser.

Reprinted from Ship & Shore Environmental press release.
MEMBER NEWS:

W&H PRESENTS NEW MACHINES AND TECHNOLOGIES AT K 2016

Windmöller & Hölscher Group will introduce several new innovations and present its comprehensive product portfolio for the production of flexible packaging at K 2016 in Düsseldorf. Details about the new technologies will be announced at the beginning of the show. W&H will continue to focus on the concept of Packaging 4.0. “We will show how intelligent machines, integrated processes and intuitive handling are already increasing efficiency and flexibility during production,” explains Peter Steinbeck, Managing Director.

“it has become tradition for W&H to celebrate the premieres of machinery and technologies for extrusion and converting at K,” says Dr. Jürgen Vutz, CEO.

Coinciding with K, the family-owned company will open the doors to the 3,000 m² Technology Center at its headquarters in Lengerich for a four day in-house EXPO. Visitors will get a first look at the newest generation cast film line from W&H, see several machine demonstrations showcasing new W&H technologies in printing and converting, and take a plant tour.

Subsidiary BSW Machinery, specializing in machinery for the production of woven PP sacks, will introduce its new flagship converting machine at K and present its full product portfolio at its own EXPO in the Czech Republic, also during K.

W&H at K 2016
Hall 17 | Booth A57
W&H EXPO during K 2016, Lengerich

BSW-EXPO during K 2016, Czech Republic
17–18 October 2016

Register with your BSW representative.

ABOUT WINDMÖLLER & HÖLSCHER

Windmöller & Hölscher, a family-owned company, is world leader for machinery and systems for the manufacturing and converting of flexible packaging. The product portfolio includes high-performance machines for film extrusion, printing and converting. As a global company W&H offers its clients everything from a single source: from expert consultation and engineering to the delivery of high quality machines and complete packaging production lines. Approximately 2,500 employees create optimal solutions for the individual production tasks of flexible packaging producers—bringing the corporate philosophy “Passion for Innovation” to life. Machines from Windmöller & Hölscher are in use in over 130 countries and by more than 5,000 customers.

In 2015 the Windmöller & Hölscher Group with its headquarters in Lengerich, Germany reached sales of approximately 720 Mio. EUR.

MEMBER NEWS:
NEXT GENERATION FILMS ADDS SEVERAL VAREX BLOWN FILM LINES FROM W&H

As part of the $75M expansion at Next Generation Films in Lexington, OH, the company has ordered several VAREX blown film lines from W&H for the production of multilayer specialty films.

Next Generation CEO, Dave Frecka, said the company will fill its new plant with leading edge technology to mix with its “own brand of magic” and set the standard for film in the industry. He added, “We’ve chosen W&H for future growth based on the success we’ve experienced together over the past years.”

The VAREX modular blown film line from W&H covers a broad range of applications from mono to 3-, 5-, 7-, 9- and 11-layers.

Along with adding 80 acres to its existing campus, building a new plant and acquiring state-of-the-art technology, Next Generation expects to create over 60 new jobs.

The expansion, which is in the groundbreaking phase, is projected to be completed by June 2017.

ABOUT NEXT GENERATION FILMS
Next Generation Films, Inc. was founded in 1994 and is a supplier of specialty films to a variety of markets, including the food packaging, automobile, courier, manufactured housing and protective packaging segments.

ABOUT WINDMÖLLER & HÖLSCHER
Windmöller & Hölscher, a family-owned company, is world leader for machinery and systems for the manufacturing and converting of flexible packaging. The product portfolio includes high-performance machines for film extrusion, printing and converting. As a global company W&H offers its clients everything from a single source: from expert consultation and engineering to the delivery of high quality machines and complete packaging production lines. Approximately 2,500 employees create optimal solutions for the individual production tasks of flexible packaging producers—brining the corporate philosophy “Passion for Innovation” to life. Machines from Windmöller & Hölscher are in use in over 130 countries and by more than 5,000 customers. In 2015 the Windmöller & Hölscher Group with its headquarters in Lengerich, Germany reached sales of approximately 720 Mio. EUR.

Reprinted from Windmoeller & Hoelscher press release, September 1, 2016.
California, along with Oregon, had the nation’s highest rate of economic growth in 2015 and has vaulted to sixth largest economy in the world.

The federal Bureau of Economic Analysis says that California’s economy expanded by 5.7 percent in 2015, second only to Oregon’s 5.9 percent in nominal terms and tied with Oregon at 4.1 percent in constant dollars.

The BEA pegged the state’s economic output last year at $2.46 trillion and with several of its international rivals, particularly Brazil and France, experiencing slumps, that would place California at sixth place, behind only the U.S., China, Japan, Germany and the United Kingdom. The state had been the eighth largest economy, and passed France and Brazil with the release of the latest report.

The BEA data were released just as Gov. Jerry Brown and legislators are finalizing a 2016-17 budget that’s based, in part, on recent declines in revenue growth and Brown’s oft-voiced warnings that the state is overdue for recession after a very long recovery from last decade’s Great Recession.

“The next recession is getting closer,” Brown warned in his revised budget last month, “even if we cannot tell exactly when it will hit.”

Brown’s warning is rooted, in part, on a global economic slowdown because the state’s economy is highly interconnected with that of other nations.

The most recent estimates of global economic trends say that while the U.S. and China both saw gains in 2015, Japan, Germany and the United Kingdom faded slightly, and the economies of France, Italy and Brazil dropped sharply—in Brazil’s case by nearly 30 percent. In 2014, California and Brazil were virtually tied, but by 2015 California’s economy was more than a third larger.

In broad BEA categories, California’s finance and insurance sector was the largest in 2015 at $2.46 trillion, with government at $300 billion and manufacturing at $278 billion following. Agriculture, once an economic mainstay, was just $39 billion.

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