



March 8, 2024

Chairman Southerland
425 Rep. John Lewis Way N.
Nashville, TN 32743
sen.steve.southerland@capitol.tn.gov

CC: Sen. Heidi Campbell sen.heidi.campbell@capitol.tn.gov

RE: Support for passing Extended Producer Responsibility (EPR) for packaging: SB 573/HB 550, the Tennessee Waste Reduction and Recycling Act (TWRRA)

To Senator Campbell, Representative Harris, and honorable co-sponsors:

My name is Caroline DeLoach, and I am the Director of Sustainability of Atlantic Packaging, the largest privately owned packaging company in North America. We strongly believe that intelligent packaging EPR represents a pro-business, market-based policy mechanism that can help businesses have a level playing field and achieve their sustainability goals. **We are writing to express our support for the TWRRA.**

Atlantic operates throughout the U.S. and has a particularly strong presence in the Southeast; we also have a facility in Memphis. Atlantic serves Fortune 500 companies across industries from e-commerce to food and beverage to consumer goods and more. Since our customers operate at a national or global scale, our packaging makes its way to every state in the U.S., including Tennessee. We work daily with these companies to use less packaging and transition them to more recyclable, sustainable materials. Because of our diversification across industries and broad customer base, we can gain a firm understanding of where brands are challenged by sustainability.

In our experience advising hundreds of companies on packaging, we have found that almost all our customers genuinely want to move to more sustainable packaging. However, they consistently raise the concern that moving to more sustainable packaging is expensive to them. Using difficult-to-recycle and virgin materials is simply cheaper right now. In other words, even companies that want to do the right thing—using more sustainable packaging—are facing economic pressure not to. **What these companies want is a more level playing field for sustainable packaging.** Brands are trying to do the right thing, but they are not set up for success because it is not feasible or economical to source more sustainable packaging.

If the prices for sustainable packaging were closer to those of less sustainable options, brands could make the move to more recycled, recyclable, or compostable packaging quickly. **Packaging EPR is an effective policy tool to level the playing field to incentivize these companies to use more recycled and recyclable packaging.**

Companies are further challenged because they have set ambitious sustainability goals, such as including a certain amount of post-consumer recycled (PCR) material in their packaging that they can't reach. The demand for recycled plastic, in particular, is several times higher than the supply available, especially for food-grade plastic. The expense of recycling and high levels of contamination result in recycled materials costing far more than their virgin alternatives.

Packaging EPR will help producers recover the valuable packaging material they are selling into the Tennessee economy so they can make recycled content out of it. This is a pro-business policy that



will help brands reach their sustainability goals in a more economical way by leveling the playing field for more recyclable and recycled packaging.

As we have seen packaging EPR laws passed in four US states so far, we have been active proponents of ensuring that EPR is implemented in a way that makes sense for businesses, consumers, and the general public. **Our President, Wes Carter, was appointed to the Advisory Board for California's packaging EPR law, SB 54, as a representative of manufacturers of covered materials, and he has been working to ensure SB 54 is implemented intelligently.** We are eager to ensure that EPR laws are not simply passed, but are put into place in a way that will make sense.

As a family-owned company owned and operated by avid surfers and outdoor enthusiasts, we have no doubt that enacting policy solutions like packaging EPR is the right thing to do. We have an incentive to keep our customers in business, and we strongly believe that enacting packaging EPR is also the *smart* thing to do to level the playing field for sustainable packaging.

We respectfully urge you to work together to enact a packaging EPR law in the budget package this year.

If you have any questions, feel free to contact me. We are more than happy to discuss our pro-business, pro-sustainability perspective in favor of EPR.

Sincerely,

A handwritten signature in black ink that reads "Caroline DeLoach". The signature is written in a cursive, flowing style.

Caroline DeLoach
Director of Sustainability, Atlantic Packaging
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