

What's In Your Box?

An Overview of State EPR Packaging Regulations

American Home Furnishings Alliance
2025 Regulatory Summit
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EPR and the Circular Economy



- WHAT HAPPENS TO YOUR PACKAGING AFTER UNBOXING?



- WHY EPR LAWS ARE EXPANDING ACROSS STATES.



- HOW FURNITURE PACKAGING IS UNIQUELY AFFECTED.

Why EPR Matters

- ▶ Packaging waste is rising, and landfills are filling up.
- ▶ Certain States are driving circular economy policies.
- ▶ Producers now share end-of-life responsibility.
- ▶ Life Cycle Assessment
- ▶ Eco-Modulation

What Does Sustainability Mean?

In the Past:

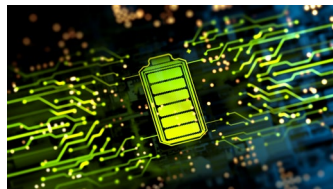


- Materials, Waste Systems, and Marketing

Today:



- Data, Financing, Software, Supply Chain Mapping, & AI

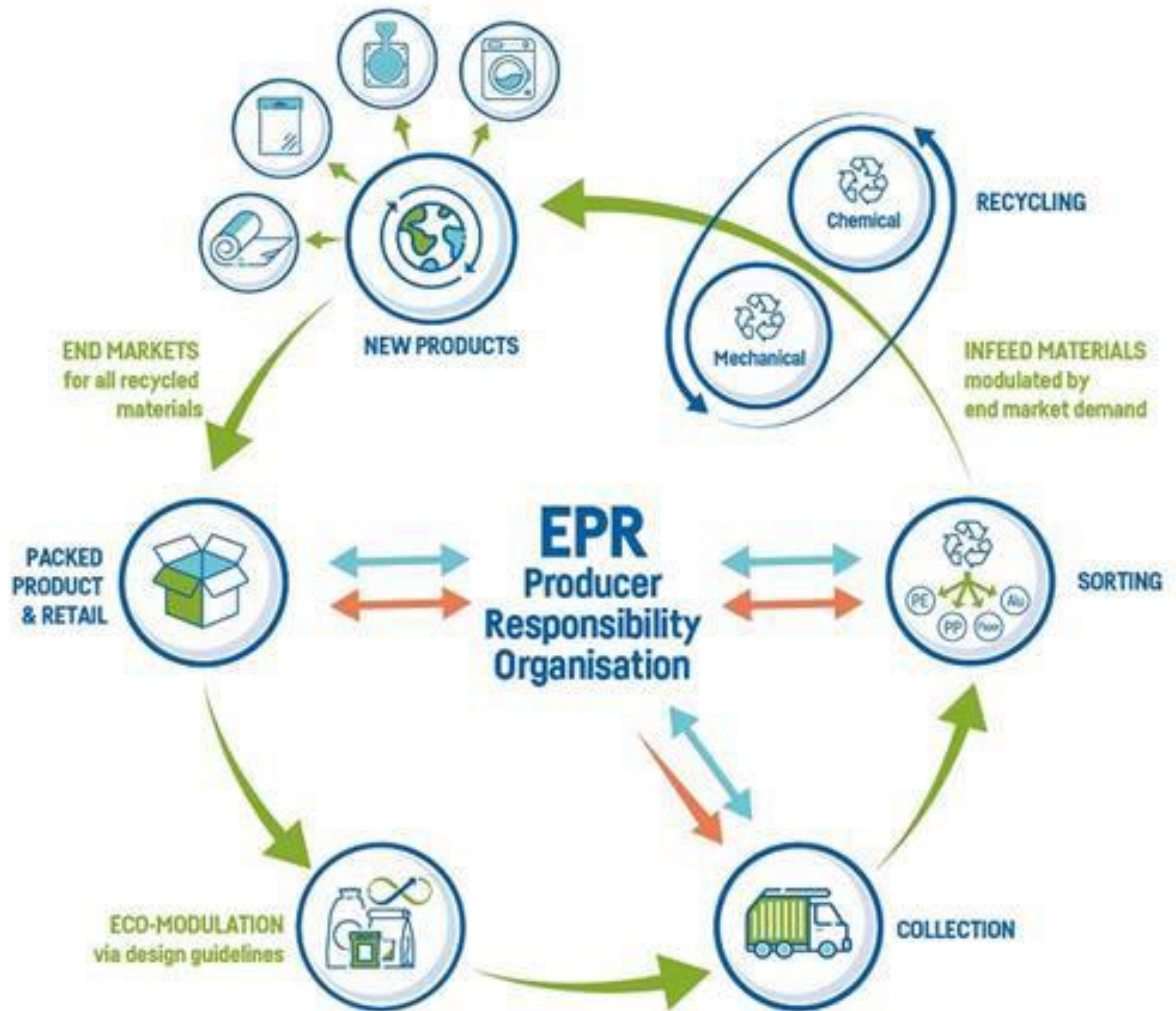


The Circular Economy

Extended Producer Responsibility in a circular economy

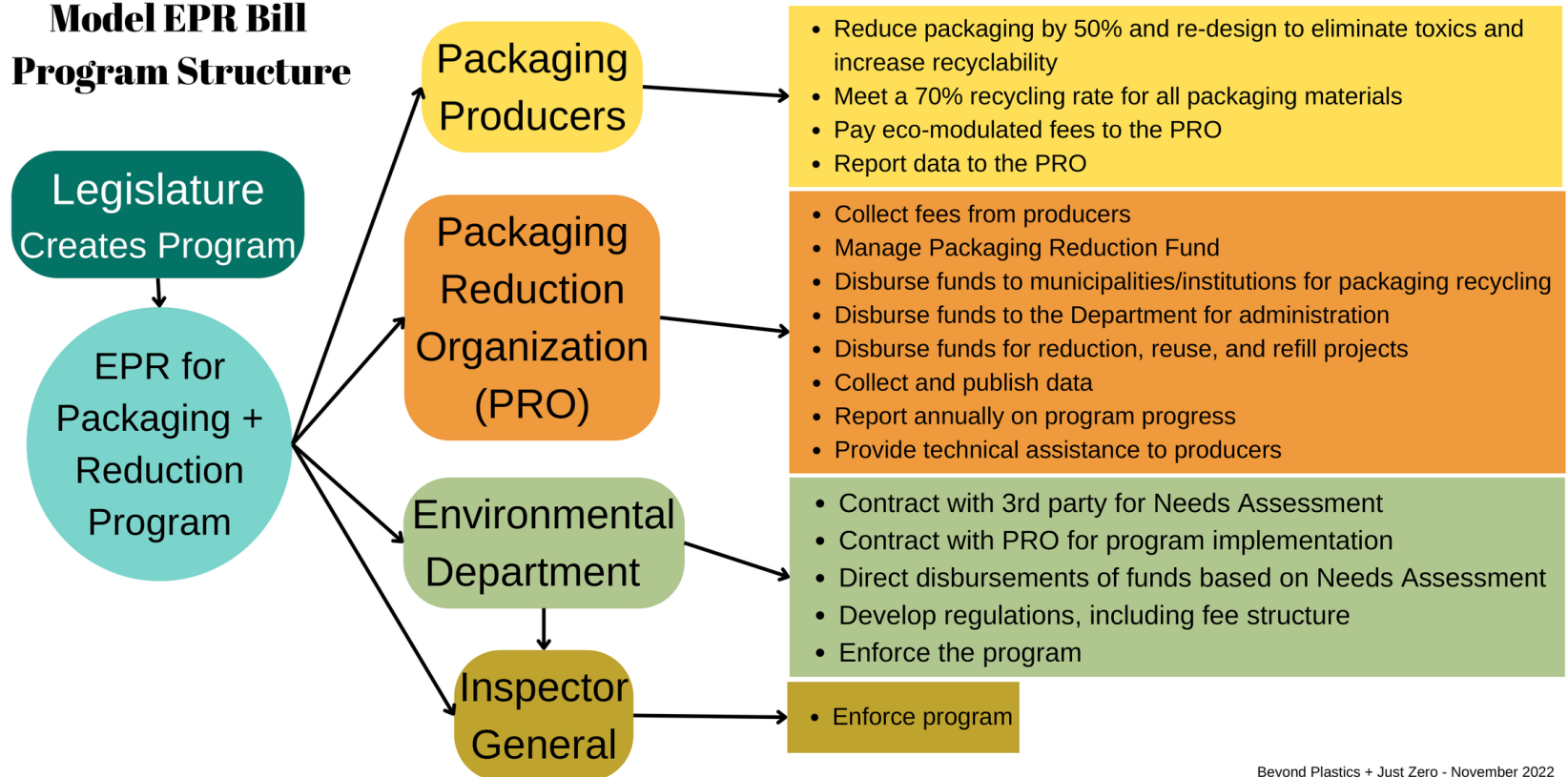
All materials captured, recycled and used in a wide range of sustainable end markets – independent of cost and recycling targets

Contract agreements
Financed by fees



EPR Model

Model EPR Bill Program Structure



Beyond Plastics + Just Zero - November 2022

Oregon EPR (SB 582)

- ▶ RMA: Recycling Modernization Act
- ▶ Passed in 2021; program implementation began fully July 1st.
- ▶ Covers paper, plastic, metal packaging, printed paper.
- ▶ Obligations: Registration, fees, reporting.
- ▶ PRO: Circular Action Alliance (CAA).

Colorado EPR (HB22-1355)

- ▶ Enacted in 2022; full implementation by 2026.
- ▶ Covers all packaging and printed paper.
- ▶ Stronger producer funding model.
- ▶ Run by designated PRO (CAA).

Other State Snapshots

- ▶ **California (SB 54):** Plastic packaging reduction by 25% by 2032. (Truth in Labeling, plastic reduction, reuse encouragement)
- ▶ In California by 2032: 100% of single-use packaging must be recyclable or compostable
- ▶ **Maine:** First to pass EPR, delayed implementation. Stewardship Organization (SO) instead of PRO.
- ▶ Minnesota, Washington, Maryland
- ▶ **Bill Numbers:** California (SB54), Colorado (HB22-1355), Maine (LD1541), Maryland (SB901), Minnesota (HF3911), Oregon (SB582B) and Washington (SB 5284)

STATUS OF PASSED U.S. PACKAGING EPR LAWS

WASHINGTON:

OREGON:

- Customers have already needed to provide packaging data for CY24
- Will be invoiced for that packaging in June 2025

CALIFORNIA:

- Formal rule making underway
- Program start: July 1, 2027

COLORADO:

- CY24 data due July 31, 2025
- Rule making underway
- Producers pay fees starting January 1, 2026

MINNESOTA:

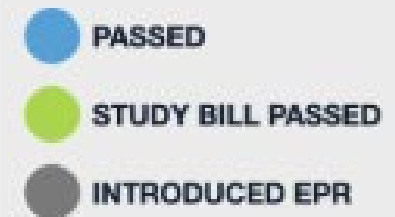
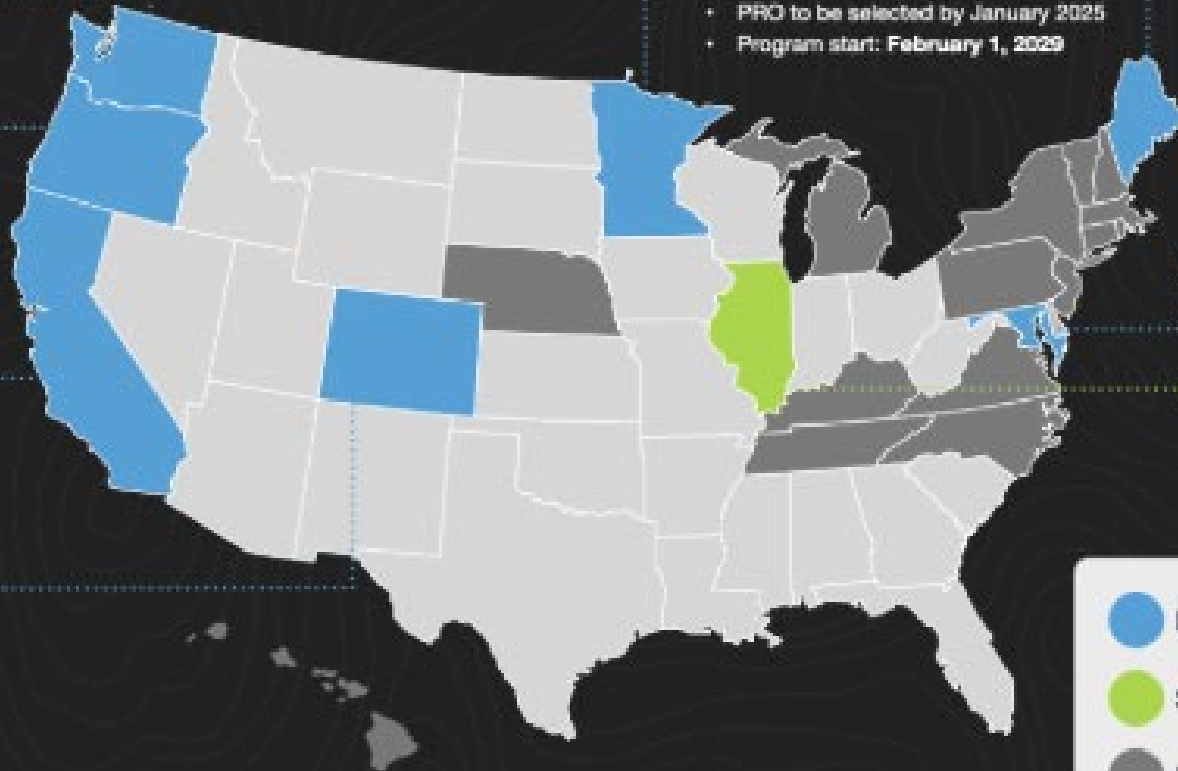
- PRO to be selected by January 2025
- Program start: February 1, 2029

MAINE:

- PRO selection occurs early-mid 2026
- Producers make first payments in 2026 after PRO selection

MARYLAND

ILLINOIS



States Likely to Adopt Next

- ▶ New York, Connecticut , New Jersey, and Illinois
- ▶ Many States have draft legislation or mandates Task Forces & Study Committees in place including Hawaii, Illinois, and Rhode Island.
- ▶ Tennessee is Actively Exploring EPR Legislation.

Do you Notice EPR Packaging?



EPR started
with Single-use
Foodware



The Chick-Fil-A Example


Built-in insulated sleeve


Controls condensation


Increased rigidity


**Contains 10%
post-consumer
recycled fiber**


**Made of sustainably
sourced material**




Uniquely Chick-fil-A®


**Improved lid fit
and performance**


Premium look & feel


**Improved delivery
experience**

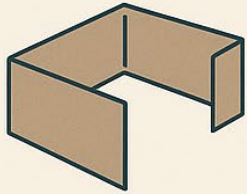
Federal Policy & Harmonization

- ▶ Efforts to Simplify by pushing for National Standards
 - ▶ Legislation currently being drafted in Congress
 - ▶ Break Free From Plastic Pollution Act (stalled).
- ▶ Challenge: Different state rules, reporting formats.
- ▶ Push for unified standards by NGOs and industry groups.

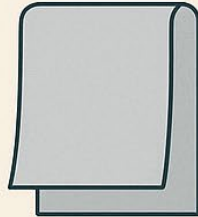
Furniture Industry Packaging Challenges

- Large, bulky, and multi-material packaging.
- Foam, Polystyrene, cardboard, plastics, staples, wood skid (used on top and bottom), different types of corner and angle pads, and even straps.
- Longer supply chains may increase complexity.

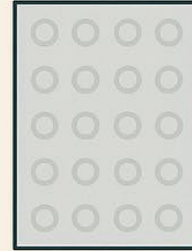
INTERNAL PACKAGING COMPONENTS



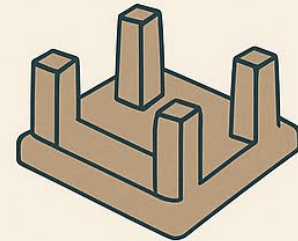
**CARDBOARD CORNER
PROTECTORS**



**POLYETHYLENE
FOAM WRAP**



BUBBLE WRAP



**MOLDED PULP
INSERTS**



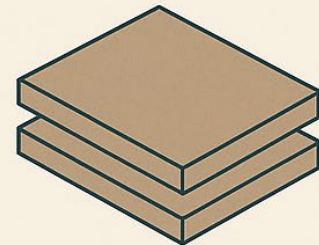
**INSTRUCTION
MANUAL**



**PLASTIC HARD
HARDWAR BAG**

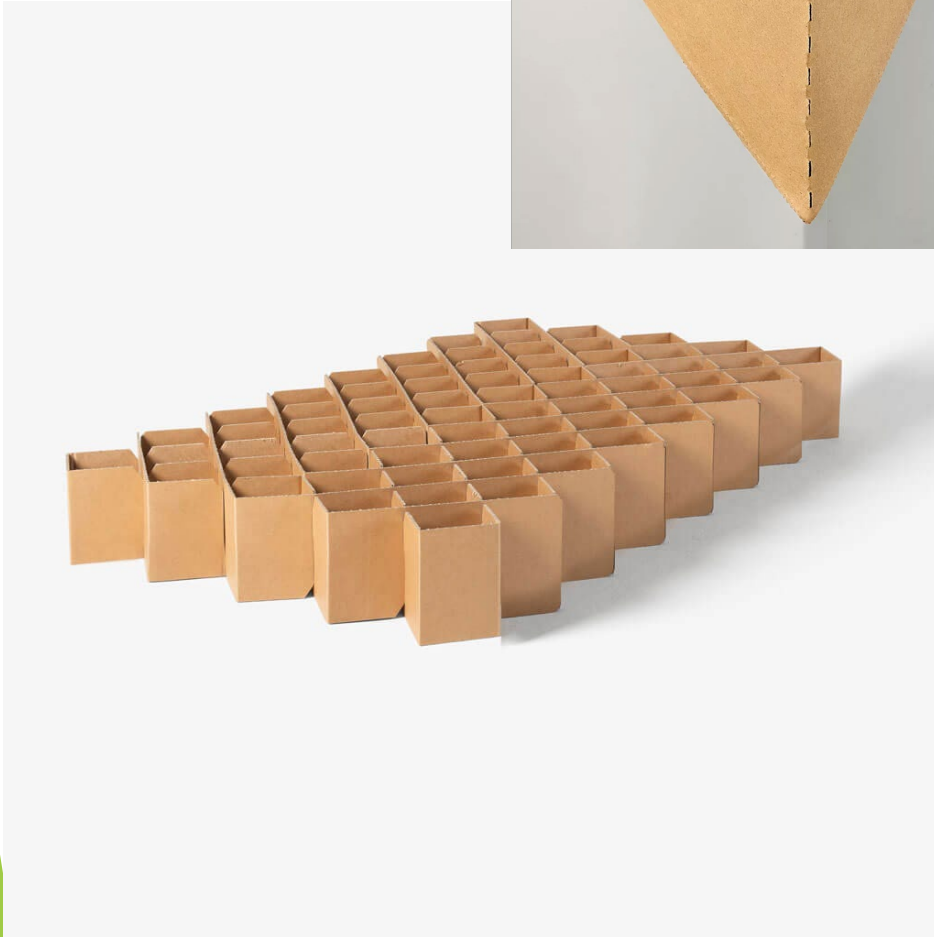
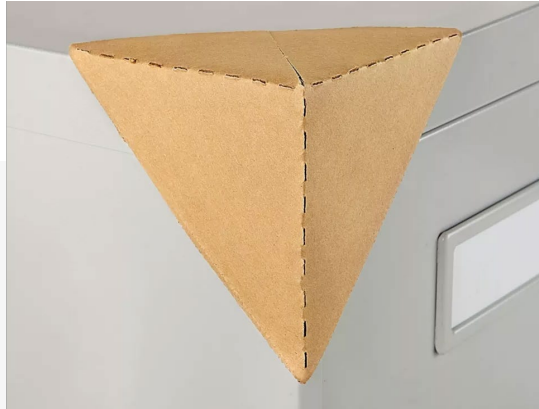


**STRETCH FILM
(PLASTIC WRAP)**



**CORRUGATED PADS
INNER DIVIDERS**

Internal Packaging Components



Circular Action Alliance (CAA)

- ▶ Designated Producer Responsibility Organization (PRO) in Oregon, Colorado and 4 other states.
- ▶ Manages producer registration, fee collection.
- ▶ Coordinates with recyclers and government.



**Circular
Action
Alliance™**



CCA Founding Members

► 20 Companies



► Campbell's, IKEA, and Starbucks

Who is the Producer?

- ▶ Varies by law: brand owner, importer, licensee.
- ▶ Critical to identify responsibility in complex chains.
- ▶ Producer Resource Center
- ▶ Producer Definitions Guidance

Producer

- EPR charges Producers fees based on the Total Volume (by Weight) and Type of Packaging (Material) sold into the Regulate Economy of a State.

| State | Producer Definition | Exemptions |
|------------|--|--|
| Oregon | Brand-owner → manufacturer → importer → seller (for food serviceware) → shipper (remote sale) → publisher/importer for paper | Small producers (<\$5M or <1 ton), nonprofits, etc. |
| Colorado | Manufacturer → packager/shipper → first in-state distributor/importer → publisher for print | Small vs. revenue threshold, governments, nonprofits, etc. |
| California | Brand-owner → licensee → seller/distributor/importer in CA | < \$1 M sales, agricultural producers, etc. |

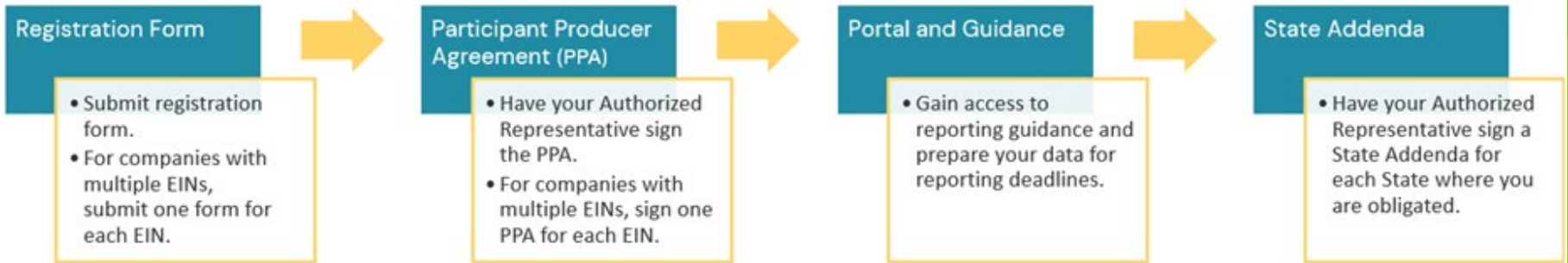
Business Model Impacts

- ▶ DTC vs. Retailer vs. OEM models
- ▶ Private-label complexities
- ▶ B2B Model with Materials

Should You Register?

- ▶ Depends on your business for each state. (tonnage, revenue, product type.)
- ▶ States offer small business exemptions.
- ▶ Key: Know if you are first importer or brand owner.
- ▶ What does Enforcement Look Like?

CCA Steps



CAA is empowered to:

- Administer the compliance program
- Set and assess producer fees
- Create packaging recyclability criteria & benchmarks
- Manage performance incentives & penalties

Covered Materials

- ▶ **Every State has Different Amounts of Covered Materials**

- ▶ Oregon has 60
- ▶ California has approx. 90



- ▶ **Packaging**

- ▶ Paper, corrugated cardboard, all types of plastic, glass, metal packaging; cartons, flexible foam, rigid packaging, single-use bags, etc.

- ▶ **Food Serviceware**

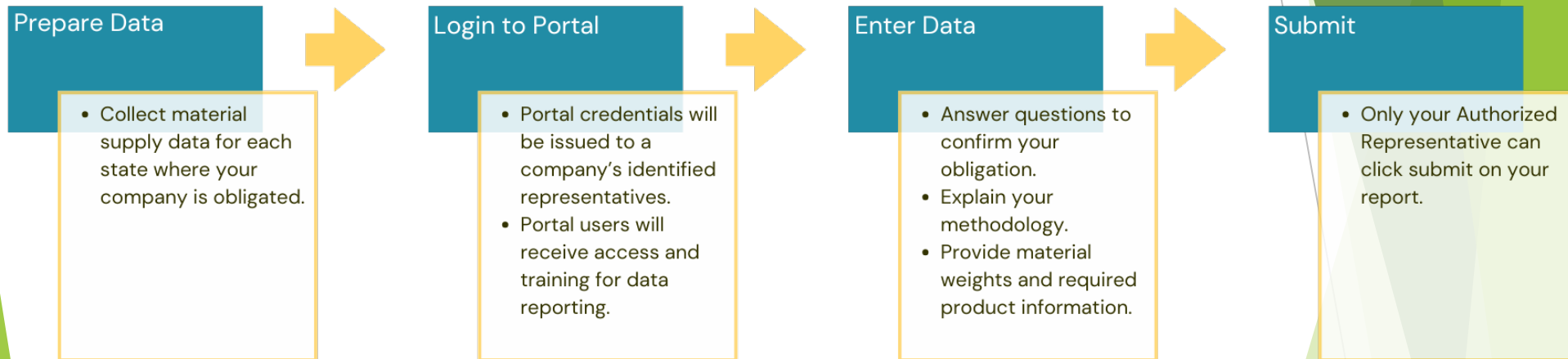
- ▶ Disposable plates, cups, cutlery, wraps, pizza boxes, sushi trays, etc.

- ▶ **Printing and Writing Paper**

- ▶ Newspapers, flyers, catalogs, copying/writing paper

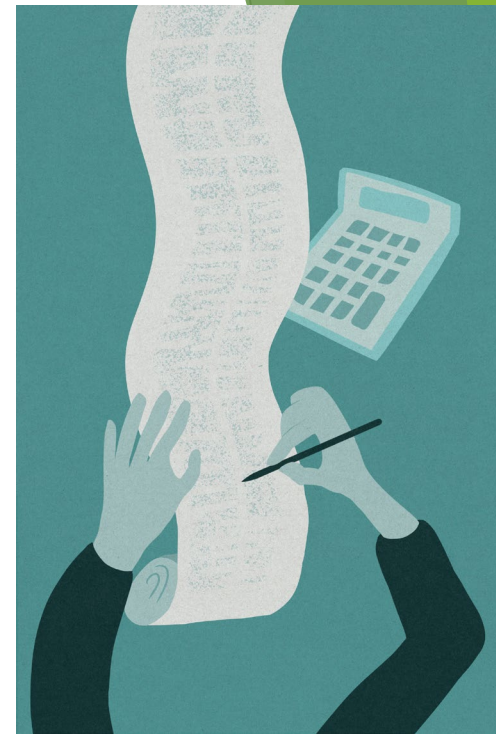


Reporting Overview



Pricing Fee Schedules

- ▶ Base Fees
- ▶ Flat Fees
- ▶ Life Cycle Assessment (fees are adjusted based on certain factors)
 - ▶ Eco-Modulation
- ▶ Bonuses



How Does this Impact Your Company?

Key Insights:

- ▶ Wood packaging are the most-costly contributors.
- ▶ Plastic foams and EPS are disproportionately expensive relative to weight.
- ▶ Corrugate remains the most cost-effective compliant material.

Opportunities for Cost Savings:

- ▶ Reduce EPS, EPE, and plastic-based materials in favor of recyclable paper/fiber.
- ▶ Investigate molded fiber alternatives for protection.
- ▶ Evaluate downsizing or redesigning packaging volume where feasible.

Benchmarking:

- ▶ Industry range: 0.5% to 1.5% of sales

Next Steps:

- ▶ Use this baseline to project 2026 costs
- ▶ Identify priority materials for substitution
- ▶ Consider internal packaging redesign or sourcing teams to review
- ▶ Share with compliance, finance, and ops for planning

Strategies for Compliance

- ▶ Engage with PROs (like CAA).
- ▶ Conduct internal packaging audits.
- ▶ Bill's 7 -step plan
- ▶ Use packaging data tools.
- ▶ Stay involved in regulatory rulemaking.

7 Step EPR Plan

- ▶ **1. Analyze What's in the Box, Develop a Spreadsheet, and Do the Math**
 - ▶ Use 1% of your total sales into Oregon or other states to calculate your EPR fees.
- ▶ **2. Look at Your Return/Repair Cost**
 - ▶ Once you establish this number, you need to look at your return/repair cost - get a good handle on that number, it will be critical going forward in our discussions.
- ▶ **3. Take your Top 5 Best Sellers**
 - ▶ Evaluate What's in the Box (Interpack Component + Box + Skid) Calculate the Weights, then look at the State fee schedule to calculate 'actual cost'.
- ▶ **4. Evaluate your interpack protocol and get a fixed cost for the interpack + box**
 - ▶ Once you have insight on the interpack protocol, you will need to start working with your interpack supplier to redesign the components that are costing you a lot of money in the EPR program.
- ▶ **5. Redesign & Test:**
 - ▶ Once you decide on a redesigned interpack protocol, you will need to test that protocol to Rule 181 to ensure it will survive the journey from the mfg to the consumer
 - ▶ you will also need to better understand how many time the product is handled during this journey - this will be critical in understanding how robust the interpack + box needs to be.
- ▶ **6. Compare Cost**
 - ▶ You will need to compare the cost of the redesigned interpack protocol to the current protocol and then see how much the new protocol will decrease the EPR cost.
- ▶ **7. Tracking Return & Repair Cost**
 - ▶ Once you make the switch, you will need to have a function in your accounting software to track RR cost to make sure this isn't going haywire.

Compliance is Like Doing Your Taxes

- ▶ **How to prepare to comply: Don't Wait!**
- ▶ **Conduct a packaging exposure assessment** to identify which materials could fall within scope, even if they are used in non-consumer settings.
- ▶ **Coordinate with suppliers and customers** to collect data, align responsibilities, and avoid duplicative efforts.
- ▶ **Begin developing internal compliance infrastructure** to track packaging use and recyclability.

Lawsuit



- ▶ The NAW has filed a lawsuit in US District Court in Oregon.
 - ❑ Delegates control over the EPR program, including the setting of fees wholesaler-distributors must pay to a private, third-party group (the Circular Action Alliance (CAA)), with a financial interest in the program without clear rules or oversight.
 - ❑ Unfairly targets out-of-state producers, disrupts national markets, and tries to control business outside of Oregon—violating the U.S. Constitution's limits on state regulation of interstate commerce.
 - ❑ Mandates producers sign contracts with a single approved private organization (CAA) giving up their economic freedom and due process rights.
 - ❑ Subjects producers to fees and rules set by CAA without a real chance to object or appeal or transparency in the process.

Key Dates for Compliance

- ▶ **Oregon (SB 582, Aug 2021)**
 - April 30, 2025: Deadline for producers to register & report 2024 packaging data to CAA.
 - *June 2025: Fees are due.*
- ▶ **Colorado (HB 22-1255, Jun 2022)**
 - October 1, 2024: Deadline for producers to register with the CAA.
 - August 2025: Packaging data reporting begins
 - *January 2026: Fees are due.*
- ▶ **California (SB 54, Jun 2022)**
 - April 2025: Deadline for producer registration with the Circular Action Alliance (CAA)
 - August 2025: Reporting deadline for the first six months of 2025 data.
 - January 2027: Producer fee obligations are due, including any eco-modulation fees.
- ▶ **Maine (LD 1541, Jul 2021)**
 - Mar 2026: Producers register with the Stewardship Organization (SO) and report data
 - 2027: Fee payments begin
- ▶ **Minnesota (HF 3911, May 2024)**
 - July 2025: Deadline for producer registration with the Circular Action Alliance (CAA)
 - 2029: Reporting and fee payments begin
- ▶ **Washington (SB 5284, May 2021)**
 - July 2026: Deadline for producer registration with the Circular Action Alliance (CAA)
 - September 2026 (??): Reporting and fee payments begin
- ▶ **Maryland (SB 901, May 2025)**
 - July 2026: Deadline for producer registration with the Circular Action Alliance (CAA)
 - July 2028 (??): Reporting and fee payments begin (est.)

Live Demo: What's in Your Box?

- ▶ Unboxing 3 products: Dresser, Dining Table, Bed/Chairs
- ▶ Identify packaging materials: recyclable vs. landfill
- ▶ Estimate potential fees
- ▶ Discuss sustainable alternatives



Key Takeaways

- ▶ EPR is expanding and Compliance is essential.
- ▶ Start with a packaging audit. Map your packaging data.
- ▶ Engage suppliers for recyclable alternatives.
- ▶ Align internal systems with CAA Reporting Requirements.
- ▶ Understand your obligations in every state.

Questions & Resources

Resources:

- Oregon DEQ, Colorado CDPHE, California CalRecycle
- Circular Action Alliance (CAA)
- AHFA Compliance Tools

AHFA

