U.S. PLASTICS PACT™

2024 U.S. Reuse Policy Guidance

Building on the principle that effective reusable packaging systems are core to a successful circular economy

Introduction

About the U.S. Plastics Pact

The U.S. Plastics Pact (U.S. Pact) is a solutions-driven consortium, launched as part of the Ellen MacArthur Foundation's global Plastics Pact network. The U.S. Pact connects diverse public-private stakeholders across the plastics value chain to rethink the way we design, use, and reuse plastics, to create a path forward to realize a circular economy for plastic in the United States.

In line with the Ellen MacArthur Foundation's vision of a circular economy for plastics, which unites more than 850 organizations, the U.S. Pact brings together businesses, not-for-profit organizations, research institutions, government agencies, and other stakeholders to work toward scalable solutions tailored to the unique needs and challenges within the U.S. landscape, through vital knowledge sharing and coordinated action.

Purpose

Target 2 of the U.S. Pact's Roadmap to 2025 calls for 100% of plastic packaging to be reusable, recyclable, or compostable by 2025; of which a meaningful percentage will need to be reusable. Target Key Outcome 2.6 calls for the U.S. Pact to have clear positions regarding supportive reuse policy approaches, and Target Key Activity 2.6.1 identifies the need for the U.S. Pact to **"develop a benchmark of policies…that support and incentivize reuse, as well as policy barriers to reuse."**

Policy is key to scaling reusable packaging systems through legislation, regulation, incentives, and other government practices. **Policy efforts can create enabling conditions, level the playing field to test and scale reuse practices, and set pre-competitive standards for safety and access.** At present, the lack of consistent policy creates uncertainty for reuse innovators, demonstrating a need for policy guidance and development.

Scope

As defined by the U.S. Pact, reusable packaging "proves its ability to accomplish a minimum number of trips or rotations in a system for reuse. A system for reuse is defined as established arrangements (organizational, technical, or financial) which ensure the possibility of reuse." Throughout this paper, "reusable packaging systems" and "reuse" are used interchangeably.

This document builds on the principle that effective reusable packaging systems are core to a successful circular economy. It does not focus on proving the case for reusable packaging solutions. It assumes that reuse provides environmental benefits as compared to single-use and offers economic opportunities by fostering new jobs and innovation. Reuse prioritizes waste prevention over waste management, preventing new materials from entering the economy and becoming waste. For more information on reuse benefits and opportunities, see World Economic Forum's Future of Reusable Consumption Models report.

Reuse provides environmental benefits...and offers economic opportunities by fostering new jobs and innovation.

This document focuses specifically on policy opportunities and considers other levers to be out of scope. That being said, other stakeholders — including businesses, reuse technology developers, and NGOs — will need to advocate for reuse policies and advise governments on effective implementation. The private sector has a critical role and must also drive innovation, design technologies that prove feasibility, and build shared infrastructure.

This document outlines important considerations for future policies to advance reuse systems in the United States, identifies existing reuse legislation in the U.S., and discusses available policy levers that can be used to enable, incentivize and support local, state, and national progress toward the established U.S. Pact Roadmap targets. The guidance also includes equity approaches and calls to action for other stakeholders. This document is neither an exhaustive list nor an endorsement of specific public policy proposals or external definitions.

Guiding Principles

Initial Considerations for Reuse Policy

Reuse policies should maintain the same guiding principles to ensure effective, safe, and consistent legislation. As these new policies are developed, businesses and legislators alike can utilize the following considerations.

1. **Reuse policy should always be pursued within the waste prevention hierarchy.** Policy should avoid incentivizing reuse over reduction, when meaningful reduction is a better fit. Policy development should also account for unintended consequences, such as incentivizing durable items that remain single-use.
2. **Equity and accessibility should be considered when scaling new reuse solutions.** If reusable packaging systems are not accessible to consumers, it will be challenging for them to become economically feasible. The nascent policy space provides an opportunity to center equity and accessibility in a meaningful way.
3. **Policy can establish incentives and funding mechanisms that will enable reuse to scale.** Along with the private sector, the public sector can help enable reusable packaging systems to be economically competitive and feasible in their early stages.
4. **Health and safety codes should be updated to enable reuse.** Health and safety codes should adapt to emerging reuse solutions and provide consistent guidance across jurisdictions for safe reuse. Although reuse systems cannot wait for these changes, such updates at the state and federal level will lower barriers to scaling reuse.
5. **Reuse can be incorporated in existing legislation.** Reuse incentives can be integrated into proposals such as Extended Producer Responsibility (EPR), Deposit Return Systems (DRS), state solid waste management plans, and other regulations. EPR and DRS can fund reuse and set up the necessary infrastructure for clean, effective collection at scale.
6. **When comprehensive reuse policy is not the best fit, reuse policy should start with immediate impact and then scale to broader applications.** For instance, policy may be more immediately feasible and impactful in closed loop systems or business-to-business settings. Reuse in open loop systems may require greater innovation, investment, and buy-in before effective policies are feasible.
7. **Standardization of reuse policy is critical to ensure alignment across jurisdictions, regions, and the United States as much as possible.** While policy may inevitably advance more quickly in some regions than in others, stakeholders should strive to unify policies across regions and use successful local efforts as frameworks for broader policy.

Existing and Future Reuse Policy Approaches

Existing Reuse Legislation in the U.S.

To date, reuse and reduction legislation in the U.S. has primarily advanced at a municipal level. Municipal-level policies enacted or implemented have focused on the following approaches:

1. Directly promoting or mandating reuse in on-site dining, lodging, events, government facilities, and/or procurement;
2. Enabling individual use by allowing bring-your-own systems; or
3. Enacting single-use bans, single-use fees, and/or only-upon-request policies with the aim of increasing reuse.

Upstream's policy tracker identifies municipal and state policies in the United States that directly and indirectly encourage reuse.

States have included reuse incentives and/or requirements in Extended Producer Responsibility legislation and are starting to include reuse requirements/incentives in Deposit Return System legislation (new legislation and/or amendments). To date, reuse in EPR includes:

- **Maine:** incentives for reuse through producer fee structure; program targets for reduction and reuse; likely direct funding for infrastructure & education (still being determined through the rule-making process).
- **Oregon:** reusable packaging may be exempt from program fees until ultimately disposed of in state; Waste Prevention & Reuse Fund creates grants or loans (administered by OR DEQ).
- **Colorado:** reusable packaging exempt from EPR; incentives for reuse/refill in eco-modulated fees; PRO-funded education & outreach to include information on reuse; needs assessment to include existing reuse/refill systems & opportunities.
- **California:** reusable packaging exempt from EPR; incentives for reuse in eco-modulated fees, requirement to source reduce 20% of plastic covered material by 2030 with minimum of 4% achieved through reuse.

Reuse is not currently legislated at a federal level, though federal legislation has been proposed. The Break Free From Plastic Pollution Act would:

- Reduce and phase out common polluting single-use products from sale and distribution, including lightweight plastic carryout bags, food, and drinkware from expanded polystyrene, plastic stirrers, and plastic utensils.
- Impose a fee on the distribution of carryout bags, allowing retailers who implement a reusable bag credit program to retain the fee to finance the program. Fees collected from retailers without a bag credit program will fund public access to reusable bags as well as litter clean up and recycling infrastructure.
- Establish a competitive grant program through the EPA Administrator to fund pilot-scale packaging reduction, reuse, and refill projects.

And the Protect Communities from Plastics Act would:

- Establish phased reuse and refill targets (not less than 30% within 10 years).
- Develop a competitive grant program through EPA to carry out scalable reuse and refill projects which expand such programs, expand consumer knowledge of reuse and refill, expand access to return stations, and expand access to sanitation infrastructure.
- Create a publicly available report on feasibility and best practices for different specific areas of reuse including job creation and economic costs and benefits.

Available Policy Levers

The following policy levers can advance reuse. Not all policy ideas are supported by all U.S. Pact Activators, nor may all of these ideas be the best fit for policymakers in different regions. When policy options have not yet been pursued or are not politically feasible, companies are encouraged to undertake applicable suggestions as voluntary actions.

Standardized packaging requirements would increase the feasibility of regional reuse systems.

1. **Reuse mandates and enablers**
    a. Legislation can mandate reuse in closed loop systems (i.e. on-site dining, event spaces, stadiums, museums, zoos/aquariums, and/or office spaces) within a particular jurisdiction.
    b. Policies can also be passed to support community pilots to help municipalities and cities build best practices on reuse systems and incentivize the public to use reusable options.

2. **Government procurement**
    a. Public procurement guidelines are a strong policy driver at every level of government. Procurement can give preference to and/or require reusable packaging or products under government contracts, which can be used to demonstrate proof of concept and help scale to community-wide projects.
    b. Public procurement standards can be applied for businesses and institutions, including universities, which can further accelerate reuse pilots and adoption.
3. **Integration in EPR and DRS**
    a. Eco-modulated fees in functioning EPR systems will incentivize reduction, reuse, and redesign in products. Businesses can receive exemptions from EPR system fees for qualified reusable packaging, or bonus credits and requirements in eco-modulation of portfolios.
    b. DRS collection systems can be utilized for reusable containers, increasing the functionality of existing and new infrastructure. DRS legislation can offer incentives and/or requirements for reusable beverage containers.
    c. These policies can require Producer Responsibility Organizations (PROs) to fund the development of reuse infrastructure and systems, drive community education/outreach, and to provide technical assistance to member companies wishing to switch to reusable packaging.
4. **Bans, fees, and Bring-Your-Own**
    a. Bans and fees on problematic and unnecessary materials (plastic bag bans, straw bans, skip-the-stuff) should be written to create systems of reuse, rather than "reusable" items that are only used once in practice.
    b. Bring-Your-Own options should be available at all vendors and refill stations can be required as part of new construction or for new businesses.
5. **Standardization**
    a. Legislation should identify standard definitions for "reuse(able)," "refill(able)," and "reuse systems." Definitions and methodologies used to calculate trips, functional units, and other metrics should be carefully crafted and harmonized to ensure measurements are standardized and transparent.
    b. Standardized packaging requirements would increase the feasibility of regional reuse systems, where the same standard formats could be washed and reused by many different companies. Standardization through legislation may be easiest in non-consumer facing packaging. PR3 is developing a Reusable Packaging System Design Standard which could inform this standardization.
    c. Legislation can also help define ownership and legal responsibility within reuse and refill systems.

6. **Health**
    a. Health and safety regulations should be updated to provide clear guidance and expectation at local, state, and federal levels for handling, cleaning, and storage of reusable containers. Federal and state food codes should be updated to explicitly address and allow for the use of third party wash facilities, if they are not allowed under existing regulations.
    b. The Consumers Beyond Waste initiative provides key considerations around cleaning, design, and other processes involved in reuse in their Safety Guidelines, Design Guidelines, and City Playbook.
    c. Any future regulations around reusable containers should ensure that they are made under safe conditions that do not place undue burden on communities.
7. **Reuse targets**
    a. Reuse targets can be standalone or integrated in other policies like EPR and DRS. If used, targets should be based on a needs assessment, study, or other similar research that includes an assessment of current and needed infrastructure.
    b. Virgin material reduction targets can also incentivize reuse. Reuse and reduction targets can be combined - with sufficient protection to avoid lightweighting and other counterproductive reduction - to ensure that reuse is not prioritized when meaningful reduction may be a better fit. Reduction targets should go beyond being plastics-specific, to avoid negative trade-offs of alternative materials.
8. **Tax exemptions and subsidies**
    a. Tax exemptions could be offered for qualified reusable systems, such as exemption from Sales & Use taxes.
    b. Tax on virgin materials use and/or subsidies for reusables can increase cost parity between reusable and single-use systems.

Additional levers do not require legislation. Public agencies can prioritize support for reusable systems and development of shared infrastructure through existing budgeted funding, existing grant funding, or through new grant programs as they become available. Some local governments can use solid waste budgets to fund staff assigned to work on promoting reuse via public/private partnerships. Governments can also use budgeted funding or apply for grants to fund research (e.g. collection systems, materials formats, cleaning systems, etc.) to advance reusable packaging systems and infrastructure. This can be used to support grants and/or low-to-no interest loans for business startups and technology developers.

Governments can also enable smooth and straightforward permitting processes and reduce other barriers to the growth of reuse systems, and should ensure that other policies do not create unintended consequences that unduly interfere with reuse system operations.

Ensuring Equity in Reuse

It is critical that reuse policy and the scaling of reuse systems is equitable and accessible for all communities. Production, use, and disposal of single-use plastics disproportionately harm the under-served communities and existing reuse efforts are often economically inaccessible. By prioritizing inclusivity, systemic reuse can ensure economic viability and improve social connectedness.

In line with the U.S. Pact's definition of environmental justice, living wages should be offered when a reuse organization is preparing to activate within a community to ensure equity and a decent standard of living. Workforce Training and Development materials within a reuse organization and/or a supporting entity of the transition to reuse models could be required to set forth diversity, equity, and inclusion (DEI) standards within internal policies and have expectations outlined with regards to DEI in hiring practices.

> ***It is critical that reuse policy and the scaling of reuse systems is equitable and accessible for all communities.***

A checklist of considerations/guidelines should be developed to help individuals, such as economic developers, assess how it may have positive or negative impacts on those who live in the nearby area. Infrastructure development, education efforts, product design, and siting of return hubs and washing sites should all include:

- Consultation with local communities, including consideration of the informal sector and identifying opportunities to improve livelihoods;
- Consultation with key stakeholders including public officials and operators of adjacent facilities, amenities, or transportation hubs;
- Consideration of convenience standards, pollution prevention mechanisms, and economic indicators such as access to living-wage jobs;
- Periodic equity reviews and consideration of demographics without smart-phones, credit cards, and other gatekeeping mechanisms;
- Design of user-friendly, visually-oriented content in multiple languages and culturally meaningful terminology;
- User-testing with a variety of community groups and people with a range of disabilities to ensure accessibility for all potential users;
- Safe public access for sites through physical accessibility (including for wheelchair users), clear signage, and wayfinding; and
- Universal design standards for return sites to ensure broad accessibility (e.g., multiple languages and legible signage) and safety.

Conclusion

Reuse policy has an important role to play in advancing reuse innovation and implementation. These levers can level the playing field between reusable and single-use materials, as well as between companies pioneering reuse and those who are lagging. Policy can mandate or incentivize reuse, offer standardization, ensure health and safety, and create funding mechanisms. Reuse policy primarily exists at the city level, with increasing references at the state level in EPR and DRS legislation. Policy mechanisms can be pioneered at the local level and successes can be replicated and scaled in state and federal legislation to maximize consistency.

However, policy alone cannot ensure the success of reuse systems. In addition to advocating for good policy, the private sector has a key role in driving innovation and building shared infrastructure. Entrepreneurs have started hundreds of small businesses to advance reuse, such as mobile dishwashing services, cup shares, and refillable bottles. Some private sector businesses are pioneering a variety of reuse, return and refill models. Larger, coordinated efforts to drive innovation and build shared infrastructure will likely require collaboration by private sector companies in non-competitive agreements, or through public-private partnerships. This collaboration should also endorse and align with a common set of industry standards, such as the Reusable Packaging System Design Standard being developed by PR3.

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Non-governmental organizations (NGOs) have already played a leading role in advancing reuse by funding and conducting research, applying for grants to promote reuse, and providing grants to businesses to transition away from single use items. NGOs can continue to lead development and adoption of a common set of industry standards for reusable packaging systems and shared infrastructure, as well as harmonized policy principles. With support from private sector contributors, foundations, and public sector funding opportunities, the NGO sector can continue to advance reuse.

Additional recommended resources:

1. Consumers Beyond Waste Executive Summary summarizing the key takeaways from the City Playbook, Design Guidelines, and Safety Guidelines
2. Sustainable Packaging Coalition: Guidance for Reusable Packaging
3. Upstream: Reuse Wins and New Reuse Economy reports
4. Upstream: Reuse Policy Playbook and Model Foodware and Packaging Reduction Ordinance for City, County, or State Government
5. Ellen MacArthur Foundation: Reuse – rethinking packaging
6. Public-private partnership case study: Reuse Seattle

Appendix: Key Terms & Definitions

Reusable Packaging – Packaging which has been designed to accomplish and proves its ability to accomplish a minimum number of trips or rotations in a system for reuse. A system for reuse is defined as established arrangements (organizational, technical, or financial) which ensure the possibility of reuse in closed-loop, open-loop, or in a hybrid system. More information can be found in the official U.S. Plastics Pact Definition.

Refillable Packaging – A type of reusable packaging that is designed to be owned and refilled by consumers with separately-purchased products or through dispenser systems. (Sustainable Packaging Coalition Guidance) Often known as "bring-your-own" systems.

Returnable Packaging – A type of reusable packaging that is part of a system that provides for the collection and refill of the package by a business. Customers return the packaging back to the business, which in turn puts new products into the empty packaging. In this system, packaging is treated as a business asset. (Sustainable Packaging Coalition Guidance) Often known as "borrow" or "deposit" systems.

Single-Use Packaging – Single-use refers to a product or beverage container, including plastic retail bags, utensils, take-out containers, or other products that can only be used once before being disposed of, recycled, or composted. (WWF Circular Economy Policy Guidance)

Types of Reuse for Business-to-Consumers (EMF Reuse-Rethinking Packaging):

- ***Refill at home –*** Users refill their reusable containers at home (for example, with refills delivered through a subscription service).
- ***Return from home –*** Packaging is picked up from home by a collection service (for example, by a logistics company).
- ***Refill on the go –*** Users refill their reusable containers away from home (for example, at an in-store dispensing system).
- ***Return on the go –*** Users return the packaging at a store or drop-off point (for example, in a deposit return machine or a mailbox).

Types of Reuse for Business-to-Business Distribution – Reusable packaging for business-to-business (B2B) distribution of goods in a supply chain, including products such as a shipping box, pallet, bulk bin, container, tote, or rack. Also referred to as "reusable transport packaging." Example types of B2B reuse involve:

- Movement of raw materials, commodities, or liquids from source to production or processing establishments.
- Transport of parts or components to manufacturing assembly plants.
- Packaging of refill dispensing systems.
- Distribution of finished goods from point of production, processing or assembly to point of use in a commercial setting or a business-to-consumer item delivery.
- Shipment of goods between distribution centers and storefronts.