



CLEAN Future Act Would Expand Container Reuse and Recycling

U.S. Representative Frank Pallone, chair of the House Energy and Commerce Committee, introduced the CLEAN Future Act on March 2, 2021. It is the first major piece of climate legislation to be introduced since President Biden assumed office, and it was written by the Chairman of the committee with primary jurisdiction over climate policy in the House.

Chairman Pallone will hold several hearings on the bill, and some version is sure to be reported out of the committee and eventually pass the House. The bills prospects in the Senate are less certain, given the 50 – 50 split between parties, but President Biden has promised major actions on climate policy, and this bill sets the table for robust Congressional debate.

Following is a summary of key provisions in the 900 page bill, several of which could directly impact the industrial packaging industry.

1. National Emissions-reduction Target. The CLEAN Future Act of 2021 (CFA) sets a national goal to achieve a 100% clean economy by 2050 (defined as net-zero greenhouse gas emissions), with an interim goal of reducing greenhouse gas emissions at least 50% by 2030 (from 2005 levels). Net zero GHG emissions refers to achieving an overall balance between man-made emissions produced and removed from the atmosphere. In contrast, a gross-zero target would reduce emissions from all human sources to zero.

2. Climate Federalism. The CFA would require states to develop State Climate Plans to achieve interim and midcentury emissions-reduction goals set by EPA to collectively meet the national targets. Each state would be able to craft emissions-reduction pathways tailored to its unique priorities and circumstances. States would submit a proposal to the EPA that details emissions-reduction plans for each decade until 2050.

If a state fails to submit a satisfactory plan or misses their target emissions levels, the bill would require EPA to impose a carbon fee on the state. Federal grants would be available for plan preparation.

3. Environmental Justice. The bill focuses extensively on what are called “environmental justice” issues, which are aimed at limiting environmental impacts on poorer communities throughout the U.S.

4. Industry. The bill would create a “clean energy manufacturing grant program,” that would provide \$10 billion to fund both new and emerging technologies like carbon capture, as well as equipment used to produce products “containing a high percentage of recycled content,” or that

are considered “zero- or low-emission energy intensive industrial products.” It is not clear what percentage of a product must be made from recycled content to qualify for a grant; however, plastic drums and inner IBC receptacles made from 100% recycled content would certainly qualify. A “zero- or low-emission energy-intensive industrial product” includes products, like reconditioned containers, that “...results in significantly less greenhouse gas emissions relative to the production of similar products....”

5. Buy Clean Program. The bill would create a federal Buy Clean program that promotes the use of low-emission products by government agencies and their contractors, including federal infrastructure projects. EPA would be required to create a voluntary “Climate Star” program that helps identify products “...produced with significantly lower embodied emissions than comparable products....” Federal agencies would be required to specify the use of identified “Climate Star” products in all projects.

6. Producer Responsibility. The bill would mandate a comprehensive national beverage container collection program and establish producer responsibility requirements.

7. Zero Waste Project Grants. The bill would provide \$150 million over ten years in grants to projects that increase (a) recycling of residential and commercial organic material, (b) recycling or reuse of electronic waste, (c) source reduction of packaging, and \$250 million for projects that divert waste from disposal in landfills.