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To the Hon Minister of Environment
for Northern Ireland
Mark H. Durkand

June 15th, 2015

Dear Minister,

I have read your department's April 2015 review of the carrier bag tax charge with great interest and would like to bring to your attention some new research findings based on studies across the UK and Europe.

BBIA is a newly constituted trade association and represents UK companies converting biopolymers into finished products including compostable plastic bags (such as Biobag UK and Europackaging Ltd.) and users of biodegradable films (Innovia Films UK) and others making biodegradable products (Vegware), lubricants (Fuchs) and plant protecting agents (Ecospray). Members include producers of bio-based and biodegradable polymers such as BASF, the world's largest chemical company; BIOTEC, part of the SPHERE group from France, and Novamont of Italy. It also represents The Renewable Energy Association is also a member as is Sinvestec, an investment company in innovative industries. We have been constituted in this last few weeks.

Our mission is to promote in the UK the bioeconomy which we intend as the production and use of bio-based and biodegradable chemicals, materials and products. The UK is currently a strong player in bio-based energy but not in chemical and material production.

In order to promote the circular bioeconomy in the UK certain actions can be taken by policy to promote organic waste diversion, biogas production as well as biobased and biodegradable products.. Among them is the carrier bags issue. Such policies would come at zero cost to taxpayers and the retail industry.

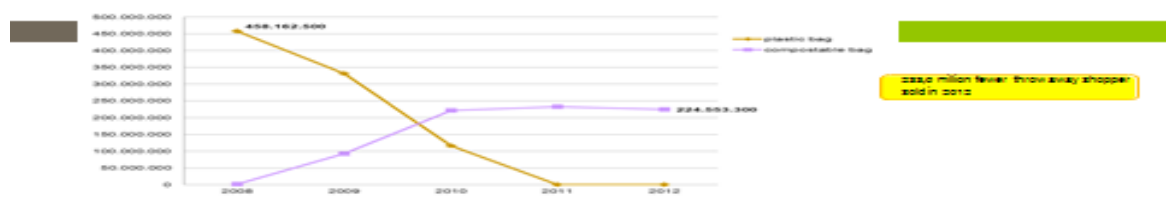
We share many conclusions of your report that are based on a pure comparison of the bags. In the recent past, though, projects in the UK and across the EU, have shown that biodegradable and compostable bags offer functional benefits that clearly exceed benefits linked purely to the raw material of the products. As shown in Oldham and elsewhere in UK, in Berlin, or in Milan city in Italy, use of compostable bags helps raise both the quality and quantity of organics interception <http://www.greencarrierscheme.org/> and www.youtube.com/watch?v=zSjBbp-Q3IU



As in Oldham and Milan, where shops (COOP group in the UK as you know, most large stores in Italy) sell compostable carry bags to consumers instead of PE bags, consumers use these to collect and deliver their household organics to collection systems. Up to 50% of Milans' organics now arrive in compostable shopping bags, at no cost to the collection system nor to tax payers nor to retail outlets. Milan has 1,3 million inhabitants in a densely populated area.

There is no evidence of littering, no evidence of recycling cross contamination, and a real reduction in non compostable plastic pollution of organics. And overall sales of bags have dropped dramatically- the Italian COOP reported in 2013 a 50% reduction, with the 50% remaining being long-life and compostable bags. (see slide below) in their first year of introducing compostables.

Impact of the Law: the example of COOP Italy



Market of re-usable bags in plastic grows too



Pilot projects in Berlin, Germany confirm that the promotion of compostable bags helps to significantly decrease plastic pollution of organics while increasing the volume of organic waste collected separately.

So by promoting organics collection with compostable bags we can achieve much higher recycling rates, at zero cost to the retail industry and to the Government- indeed, consumers, paying for these bags (they cost more than plastic bags so retailers have to charge for them which is why we would like the tax levy exemption otherwise they would be priced, as you rightly say, at 11p each) learn how to substitute carrier bags as caddy liners for organics instead of using specifically produced caddy liners- 50% in Milan after one year !

The accusation that compostable films will contaminate traditional plastic bag recycling is a humbug- UK plastic film recycling is less than 4% of post consumer production and is limited mainly to cling-wrap films from pallets delivered to supermarkets. Plastic bags simply are not



recycled in any significant volume anywhere in the UK. A study from WRAP (attached) on supermarket recycling collection points recently showed zero contamination of plastic recycling streams from compostable plastic bags but significant cross-contamination between various plastic films (see pages 12 , 14, 17 and 24 of the report).

Further, plastic recycling in the UK is currently suffering from low energy prices making their products more expensive than virgin plastic materials (see <http://www.ciwm-journal.co.uk/archives/13725>) and is therefore in a desperate financial situation. Compostable plastics will certainly not damage the recycling industry.

We agree on oxo degradable plastics that we see no purpose for them- they do not compost, they are not recyclable, they do not even degrade more quickly in landfill as a recent three year research from Michigan State University has demonstrated . See

http://msutoday.msu.edu/news/2015/additives-to-biodegrade-plastics-dont-work/?utm_campaign=media-pitch&utm_medium=email

Their degradability in the open environment has yet to be proven but claimants say between one and three years- hardly resolving the litter problem either.

Finally, we are well aware that most food waste is treated in AD plants that extract the plastic bags (and the bio-plastic bags too) and landfill them. The point is, even if the bag goes to landfill, by increasing organics capture, it has done its job! Research forthcoming by BIFA in Germany this July confirms a significant increase in biogas yields for organic waste collected in compostable bags. Considering these benefits of compostable bags for organic recycling also explains why a new LCA (critically reviewed by three independent institutes) confirms the ecological benefits of compostable bags over nonbiodegradable plastic bags.

Conclusion

BBIA believes that an exemption of the sale of compostable carry bags from the 5p plastic bags charge will benefit organics collection and improve overall recycling levels, while not having any affect on the negligible thin plastics films recycling taking place. We recall that the higher cost of compostable plastics will in any case result in retailers selling these to consumers, at a minimum charge of 6p, rather than “giving them away”. Therefore by taxing compostables, you are effectively putting them at a tremendous and discriminatory price disadvantage.

An exemption will help stimulate bio-based and biodegradable plastics industries and make the UK a place to invest in their production- currently hardly any production of compostable polymers for plastic films is made in the UK. It will help stimulate clean organics collection and improve UK’s landfill diversion targets ahead of the 50% recycling target UK must meet by 2020, just five years away. And finally, it will help the bio-based industry invest in research and development of compostable materials that have even higher levels of

BIO-Based and Biodegradable Industries Association Ltd



biodegradability. We already have industrial compostable and home compostable films, the future will bring further developments in marine and soils degradable materials for certain.

I look forward to discussing with you the above research findings and their potential policy implications in more detail.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D Newman', is positioned below the text 'Yours sincerely,'.

David Newman
Managing Director