Guidance for Prorating National Data to New Jersey

The Recycled Content Law allows manufacturers to calculate their postconsumer recycled content on a national basis, prorated to New Jersey based on <u>population</u> or <u>market share</u>, if New Jerseyspecific data is not available (N.J.S.A. 13:1E-99.136).¹ Manufacturers relying on national data to calculate the average amount of postconsumer recycled content contained in their regulated containers and packaging products are required to provide a detailed explanation for the methodology they used to prorate the national data in their annual compliance certification reports.

This guidance is intended to assist manufacturers with their proration calculations as well as to provide an example of a suitably detailed explanation of the methodology for those calculations. To provide flexibility for manufacturers to calculate averages based on their existing data and practices, manufacturers are not required to utilize the calculation methods provided below. However, manufacturers may find these examples to be helpful guides for their own calculations and for meeting the compliance certification report requirements for prorating national data.

Please note: manufacturers using national data prorated to New Jersey are prorating the quantity of materials used in New Jersey, on average, in relation to the rest of the United States. As such, the percentage of recycled content used in New Jersey will be the same as the calculated national average. Pursuant to the Recycled Content Law (N.J.S.A. 13:1E-99.136), manufacturers prorating national data based on market share or population, must ensure that the percentage of postconsumer recycled content calculated for products sold in New Jersey is the same percentage as calculated for the nation. The prorated examples below provide model calculation approaches compliant with the Recycled Content Law and are intended to guide manufacturers with their own calculations.

Prorated Calculation Based on Population:

The calculation methodology and example below provide guidance for manufacturers for calculating postconsumer recycled content on a national basis, prorated to New Jersey based on population. Except for the population data, the data below is not actual data and is intended to be used only as an example. However, the NJDEP is providing the following population data in order to standardize this data for all manufacturers. If prorating national data based on population, manufacturers are required to use the population data below:

- US population ≈ 341,000,000
- New Jersey population \approx 9,500,000

¹ Pursuant to N.J.S.A. 13:1E-99.136, the prorated average for New Jersey must be the same percentage as calculated for the nation, regardless of prorating based on population or market share.

National Data Postconsumer Recycled Content Prorated Calculation Example	
	Weight
variable	(pounas)
Postconsumer recycled content used nationally	10
Total material used nationally	100
National postconsumer recycled content percentage	10%
Prorated to New Jersey Based on Population	
Variable	Value
New Jersey Population	9,500,000
US Population	341,000,000
New Jersey percentage of US population	2.786%
Postconsumer recycled content used in New Jersey	0.279lb
Total material used in New Jersey	2.786lb
Postconsumer recycled content percentage in New Jersey	10%

<u>STEP 1</u>

First, the percentage of postconsumer recycled content at the national level was calculated for each regulated container or packaging product category (rigid plastic containers, plastic beverage containers, etc.). To determine this percentage, the following data points were used for each category:

- Pounds (or lb) of postconsumer recycled content used nationally
- Pounds of total material used nationally
 - This figure includes both the amount of postconsumer recycled content and nonpostconsumer recycled content. For example, if 10 pounds of postconsumer recycled material and 90 pounds of non-postconsumer recycled material are used nationally, the total pounds used nationally is 100 pounds.

The amount of postconsumer recycled materials used was divided by the total amount of materials used and then multiplied by 100 to determine the percentage used nationally:

Postconsumer recycled content used nationally Total material used nationally

 $\left(\frac{10 \text{ pounds postconsumer recycled content}}{100 \text{ pounds total material used nationally}}\right)*100 = 10\%$ PCR used nationally*

*PCR = postconsumer resin

STEP 2

Estimates were calculated for the amount of postconsumer recycled content, in pounds (or lbs.), used nationally that were allocated to New Jersey and how many pounds of the total materials used nationally were allocated to New Jersey.

These calculations utilized the population data provided above:

- US population ≈ 341,000,000
- New Jersey population ≈ 9,500,000

Based on these figures, the percentage of the US population that lives in New Jersey is:

$$\left(\frac{9,500,000 \text{ New Jersey population}}{341,000,000 \text{ US population}}\right) * 100 \approx 2.786\%$$

As such, assuming recycled content is distributed across the population equally, 2.786% of the manufacturer's postconsumer recycled content and 2.786% of their total material were allocated to New Jersey.

The total postconsumer recycled content used and the total materials used were both multiplied by 2.786% to determine the pounds of PCR and the pounds of total materials that were allocated to New Jersey:

10 *pounds PCR* * 2.786% = 0.279 pounds PCR allocated to New Jersey

100 *pounds total materials* * 2.786% = 2.786 pounds total materials allocated to New Jersey

STEP 3

The average amount of postconsumer recycled content used in New Jersey was calculated based on the prorated calculation from Step 2 above:

 $\left(\frac{0.279 \text{ pounds PCR allocated to New Jersey}}{2.786 \text{ pounds total materials allocated to New Jersey}}\right)*100$ = 10% average recycled content for New Jersey

Based on the input and population data used in the calculation, the products sold or offered for sale in New Jersey within this regulated container or packaging product category were manufactured with an average of 10% postconsumer recycled content.

Prorated Calculation Based on Market Share:

The market share for a company selling regulated containers and packaging products into New Jersey is the company's percentage of total revenue generated from sales in New Jersey.

The calculation methodology and example below are intended to provide guidance for manufacturers to calculate postconsumer recycled content on a national basis, prorated to New

Jersey based on market share. The data below is not actual data and is intended to be used only as an example.

National Data Postconsumer Recycled Content Prorated Calculation Example	
Variable	Weight (pounds)
Postconsumer recycled content used nationally	10
Total material used nationally	100
National postconsumer recycled content percentage	10%
Prorated to New Jersey Based on Market Share	
Variable	Value
Total National Revenue	\$1,000
New Jersey Revenue	\$100
Percentage of national revenue generated in New Jersey	10%
Postconsumer recycled content used in New Jersey	1lb
Total material used in New Jersey	10lb
Postconsumer recycled content percentage in New Jersey	10%

<u>STEP 1</u>

The percentage of postconsumer recycled content at the national level for each regulated container or packaging product category (rigid plastic containers, plastic beverage containers, etc.) was calculated. To determine this percentage, the following data points were used for each category:

- Pounds of postconsumer recycled content used nationally
- Pounds of total material used nationally
 - This figure includes both the amount of postconsumer recycled content and nonpostconsumer recycled content. For example, if 10 pounds of postconsumer recycled material and 90 pounds of non-postconsumer recycled material are used nationally, the total pounds used nationally is 100 pounds.

The amount of postconsumer recycled materials used were divided by the total amount of materials used and then multiplied by 100 to determine the percentage used nationally:

Postconsumer recycled content used nationally Total material used nationally

 $\left(\frac{10 \text{ pounds postconsumer recycled content}}{100 \text{ pounds total material used nationally}}\right)*100 = 10\%$ PCR used nationally*

*PCR = postconsumer resin

STEP 2

New Jersey's market share, represented by the percentage of revenue generated in New Jersey compared to total revenue generated from the United States on an annual basis, was then estimated:

New Jersey Market Share =
$$\left(\frac{\text{Total revenue generated from sales in New Jersey}}{\text{Total revenue generated from sales in the United States}}\right) * 100$$

$$\left(\frac{\$100}{\$1,000}\right) * \ 100 = 10\%$$

As such, assuming recycled content is distributed equally across the market in which the manufacturer operates, 10% of the manufacturer's postconsumer recycled content and 10% of their total material were allocated to New Jersey.

The amount of postconsumer recycled content used and the amount of total materials used were both multiplied by 10% to determine the pounds of PCR and the pounds of total materials that were allocated to New Jersey:

10 *pounds* PCR * 10% = 1 lb PCR allocated to New Jersey

100 *pounds total materials* * 10% = 10 lb total materials allocated to New Jersey

STEP 3

The average amount of postconsumer recycled content used in New Jersey was calculated based on the prorated calculation from Step 2 above:

 $\left(\frac{1 \text{ pound PCR allocated to New Jersey}}{10 \text{ pounds total materials allocated to New Jersey}}\right) * 100$ = 10% average recycled content for New Jersey

Based on the input and market share data used in the calculation, the products sold or offered for sale in New Jersey within this regulated container or packaging product category were manufactured with an average of 10% postconsumer recycled content.