Closed Loop Fund
THE PROBLEM
WE ARE SOLVING
THE PROBLEM: A CLOSER LOOK

Figure 2. Exports of Municipal Solid Waste, 2005 or Latest Year, in Tons

Figure 1. Imports of Municipal Solid Waste, 2005 or Latest Year, in Tons

Source: Map resources. Adapted by CRS Graphics 5/24/2007
Value of Wasted Packaging Materials in the U.S.

- Paper: $1,294,625,417
- Glass: $97,325,060
- Steel: $285,000,000
- Aluminum: $1,446,228,571
- PET: $2,917,345,309
- HDPE: $2,854,896,000
- PVC: $136,000,000
- LDPE/LLDPE: $726,000,000
- PP: $1,273,600,000
- PS: $371,000,000

Total: $11,402,020,357

Source: See Appendix 1 for methodology and plastic material definitions.
THE VALUE WE CAN CREATE

Annual Cost to Municipalities for Landfill/WTE Disposal Greater Than $4B

Annual Loss of Revenue from Potential Sale of Material for Recycling Greater Than $11B

Value of Wasted Packaging Materials in the U.S.

<table>
<thead>
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Total: $11,402,020,357

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If the U.S. achieved an 80% Recycling Rate, Significant GHG & Energy Use Reductions Achieved

1. 300 million metric tons of carbon dioxide reduced, equivalent to over 60 million passenger vehicles.
   Or

2. More than 2 quadrillion Btu’s of energy; that’s the same amount of energy consumed by over 15 million U.S. households in a year.
1. Collections
   • Regions with no single stream or organics carts.
   • Regions without dedicated collection trucks for recycling or sufficient frequency of collection.

2. Processing
   • Regions with no MRF’s.
   • Regions with MRF’s that require upgrades.
   • Regions with no organics processing.

   • Materials.
   • Markets.
   • Processing Technologies.
SOLUTION:
FUND STRUCTURE

FINANCIAL PARTNERS
(CPG’s/Beverage Co’s, Financial Institutions/Recycling Co’s etc.)

Closed Loop Fund

Loans to Municipalities

Sample Loan #1
Carts for recycling

Sample Loan #2
Organics processing facility

Sample Loan #3
Emerging technologies

Sample Loan #4
Comm./marketing campaign

Cost Saving + Revenue

Landfill cost savings and commodity revenue

Capital Returned
**Fund Structure**

- 0% loans to municipalities.
- Below market interest loans to private companies.
- Loans are repaid via landfill diversion savings and or commodity revenue.
- Fund expects to co-invest with local state agencies, economic development corporations (EDC’s), local banks, foundations and other relevant institutions, thereby expanding the amount of capital invested.

**Repayment Schedule**

- Investment period is 5 years.
- Loans are an average of 7 years.
- Goal is to return all principal and interest to Investors by year 10.

**Investment Criteria**

- **Financials:** Applicants must demonstrate long term financial viability of project.
- **Scalability:** Applicants must demonstrate that the project can scale and be replicated by other cities.
- **Reporting:** Applicants must demonstrate the ability to provide detailed reports.
- **Tonnage:** Applicants must demonstrate that the project will generate a significant increase of tonnage returned to the supply chain.
1. Zero & Low interest loans for infrastructure (Closed Loop Fund).

2. Grants to support innovation, outreach and pilot programs.

3. Private Equity investment in infrastructure and innovation.

4. Traditional bank lending for infrastructure and innovation.

5. Venture Capital investment in innovation.

6. Public policy that supports municipal recycling programs.
1. If you manufacture, manufacture with recycled content because it is less expensive to do so and there is less price volatility in your supply chain.

2. If you are a consumer,
   - Buy products manufactured with recycled content because you understand that the material was purchased from a town like yours.
   - Recycle the product/packaging when you finish with it because you understand the economic and environmental benefit to your town.

3. If you govern, promote public policy in the management of waste that supports the long term economic interests of your town.
Closed Loop Fund

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