



CHANGE THE PALLET

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September 22, 2017

President Michael H. Schill
University of Oregon
Office of the President
1226 University Of Oregon
Eugene, OR 97403-1205

Dear President Schill:

We would like to follow up on our communication from last year in which we asked you to consider a change in your school's procurement policy that would reduce harmful emissions, injuries, waste and cost. Specifically, we wrote:

"The decision of a single college or university to direct its vendors to ship to campus on lightweight, recyclable corrugated pallets could begin a domino effect that will have tremendous financial, social, and environmental implications for our nation."

We are very pleased to inform you that Haverford College has become the first to take this important action. A press release is enclosed for your review.

We are writing to ask you to consider directing or requesting your suppliers to ship to campus on lightweight, recyclable corrugated pallets instead of wood. As Haverford proved, this can be accomplished through a letter, or a simple change in your procurement specifications.

If General Motors Can Do It So Too Can America's Universities and Colleges

In 1991 – some 26 years ago – General Motors (GM) directed its suppliers to ship to its "campuses" (i.e., global facilities) on corrugated pallets. The results were stunning:

- System-wide efficacy and adoption by suppliers¹
- More than 60 GM facilities became Truly Zero Waste between 1991 and 2008²
- Over \$2 billion in reported GM recycling revenue during this period

America's colleges and universities (when viewed collectively) act similarly to GM from a procurement perspective. Both "systems" have campuses / facilities to which pallets are delivered. Unlike retailers, GM and universities do not reuse pallets. Both systems seek to reduce cost, waste and CO₂e.

¹ The obvious lesson is that, despite contrarian talking points from detractors, GM's suppliers were able to procure corrugated pallets on a global and cost-effective basis, and those pallets delivered product to GM.

² GM provided no justification for terminating its corrugated pallet program in 2008, but it announced a new partnership with CHEP, the largest U.S. provider of wood pallets. (CHEP is an Australian company.)

"Truly Zero Waste" because it's impossible to be zero waste when trucks are using fuel and adding emissions by driving to campus and hauling away wood pallets versus recycling corrugated pallets. For more on this, please see: <http://bit.ly/zerowastepallet>

Your Procurement Decisions Can Drive Sustainable Progress

Haverford's announcement triggered an asymmetric market response. Since their announcement, four Fortune 500 companies have initiated substantive efforts to evaluate corrugated pallets for supplier and/or downstream shipments.

Change the Pallet's "Procurement Dollars Pull" initiative seeks to advance sustainability goals by leveraging procurement dollars to drive national adoption. This leads to an obvious question: will "changing the pallet" at the local level do any good nationally?

To answer, we encourage you to review via the following links: (i) the presentation we made to then-Federal Chief Sustainability Officer, Ms. Christine Harada, and (ii) a 2015 White Paper sent to all 50 governors and state treasurers when we launched this nonprofit effort.

- i. <http://bit.ly/ctpwhprez>
- ii. <http://bit.ly/ctppublicgoodcase>

To summarize our organization's findings: wood pallets create widespread systemic leakage, which results in wasting billions of taxpayer dollars, and adding millions of unnecessary tons of CO2.

Or as I said to the Chief Sustainability Officer of one of America's leading retailers during a recent call: [Retailer X] receives some 100 million wood pallets from suppliers each year, weighing about 70 pounds per pallet. If those were ~10-pound pallets, your company would cut its shipping weight by 6 billion pounds annually, and that's only from suppliers to your distribution centers.³

Be The Change

Over the past year, we've had the privilege of speaking with many university officials in the areas of procurement, sustainability and facility management. To answer the most commonly asked questions: (i) corrugated pallets are widely available through multiple providers in the U.S.; and (ii) yes, they work and can often be reused multiple times to the extent it brings value within a given system.

Many universities have signed onto the "We Are Still In" commitment to combatting climate change, and we applaud that leadership. By changing the pallet, you'll be putting substantive actions to those words in a manner that will drive the U.S. private sector to adopt, and demonstrate to your students and alumni that, while words have meaning, so too do actions.

To be sure, your efforts to change the pallet will be met with resistance – from vendors, external organizations and, perhaps, even campus operations managers. Statements like "this will drive up costs" and "they won't work" will be commonplace.⁴

Indeed, following Haverford's announcement, the school's Chief Sustainability Officer received a letter from the National Wood Pallet and Container Association. No one should be surprised that the lobbying arm of the wood pallet industry is resisting change, even if that change would reduce waste and fossil

³ Many universities have asked if they can require vendors to ship on a specific type of pallet. Retailer X requires its vendors to ship on those 70-lb pallets as a matter of policy. **In fact, Retailer X explicitly prohibits shipments to its distribution centers on corrugated pallets.** We believe that if U.S. retailers can require suppliers to ship on bad-for-the-environment pallets, it is well within the rights of universities (and hospitals, cities, etc. for that matter) to require shipments on lightweight, recyclable pallets that reduce emissions and save the end-recipient money.

⁴ Last year we wrote you about IKEA's experience in changing from wood to corrugated pallets, including directing more than 1,000 suppliers in 51 countries to make the switch. This six-year global initiative belies concerns about efficacy and cost; indeed, IKEA has saved more than one billion dollars via this shift. Moreover, GM's suppliers were able to procure and ship on corrugated pallets for seventeen years.

fuel use.⁵ From cell phones to renewable energy, every disruptive technology entrant must overcome the entrenched political power of incumbent industry.

Globally-Recognized Thought Leader

As your university takes substantive steps to change the pallet, we are here to help. Our non-profit may be small, but we're proud to have attracted the support of global leaders. To that end, we are pleased to introduce Mr. Roger Ballentine as an important advisor and resource for your university.

Mr. Ballentine served President Clinton as Chairman of the White House Climate Change Task Force and Deputy Assistant to the President for Environmental Affairs. He literally wrote and implemented many of this country's most effective and important environmental policies and systems, including greener procurement practices for the federal government that can serve as models for your school.

Words do not properly convey the importance of the work you do to educate, challenge and inspire the women and men that will transform this great nation in the years to come. We hope you'll also take this opportunity to lead by example when it comes to evaluating and implementing programs that "walk the talk" on sustainability and systemic efficiency.

At no expense to your school, we would be pleased to consult with and advise your sustainability and procurement teams on how to undertake this transition to a more sustainable supply chain. I can be reached at adam@changethepallet.org.

With kind regards,

Adam M. Pener
Executive Director

⁵ Killing this initiative has been a top priority of the NWPCA since Oregon introduced a widely-supported, bipartisan bill in 2016 that, if passed, would have mandated that palletized shipments to state facilities be on corrugated pallets. To quote an email sent by the Western Pallet Association, an affiliate of the NWPCA, to its members:

"Oregon WPA members, it is crunch time. We must kill this cardboard pallet bill for the good of the wood pallet industry, as well as the Oregon economy. If it passes in Oregon, it will move to other states...We need to show up in force for the hearing on Monday, February 8 at 3:00 pm in Salem."

We agree with the WPA's view that this will spread. That is, in fact, the point and the goal.

For the record, the NWPCA and WPA did show up in force and succeeded in killing the bill despite 30+ bipartisan co-sponsors, and support from unions and other "pro-manufacturing" constituencies. As it turns out, producing corrugated pallets leads to high-paying domestic manufacturing jobs whereas lumber is often shipped to China for wood pallets to be made and shipped back to the U.S. (thereby increasing yet more the carbon footprint of wood pallets).